



**The
Heartland
Health
Region**

**Annual
Report**

2002 – 2003



OUR VISION

Building a province of
healthy people and
healthy communities

OUR PRINCIPLES

The Heartland Regional Health
Authority believes in:

Quality
Fiscal responsibility
Being accountable to the
people we serve

OUR GOALS

Goal One:

Improved access to quality health services

Goal Two:

Effective health promotion and
disease prevention

Goal Three:

Retain, recruit and train health providers

Goal Four:

A sustainable, efficient, accountable and
quality health system

Heartland Health Region

2002 -2003 Annual Report

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Letter of Transmittal

June 18, 2003

The Honourable John Nilson
Minister of Health
Province of Saskatchewan
Room 361, Legislative Building
Regina, Saskatchewan
S4S 0B3

Dear Mr. Nilson:

It is my pleasure to present you, on behalf of the Heartland Regional Health Authority, the first Heartland Health Region Annual Report. The Annual Report covers the period from April 1, 2002 to March 31, 2003. This report contains a synopsis of the activities of the Heartland Regional Health Authority for the past fiscal year as well as the financial statement for the year ended March 31, 2003 in accordance with *The Regional Health Services Act*.

Respectfully Submitted,



Lyle Leys, Chair
Heartland Regional Health
Authority



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Report to the Community

On behalf of the Heartland Regional Health Authority, we are pleased to present our 2002 - 2003 Annual Report. This is the first annual report for the Heartland Health Region, and will serve as a reminder of the excellent work done by the staff and physicians since incorporation as a health region in 2002. We believe the intention of this annual report is to provide residents and other stakeholders a synopsis of the activities, initiatives and accomplishments of the health region. The summary of the audited financial statements for the fiscal year ending March 31, 2003 are included in this document.

Amalgamation of the three former health districts, Prairie West Health District, Greenhead Health District and the Midwest Health District, into the Heartland Health Region took effect on August 1, 2002 under the provisions of *The Regional Health Services Act*. The Board (now known as the Heartland Regional Health Authority) has worked diligently to establish the new organizational structure of the health region in cooperation with senior management and staff. We are both proud and pleased with the way the Board, management, and staff have pulled together and embraced the new region.

Although the amalgamation process was an involved one, the Heartland Health Region continues to deliver quality health care to its residents. We are already well under way towards the region's first accreditation through the Canadian Council on Health Services Accreditation which will be completed in 2004.

This annual report provides you with an overview of the Heartland Health Region, the services we provide, the goals we strive to achieve and of course the financial resources we expended in reaching that mandate.

The annual report also provides an opportunity for the health region to gather input and ideas from the community. We welcome feedback and invite your comments not only on the

We are both proud and pleased with the way the Board, management, and staff have pulled together and embraced the new region.

contents of this report, but on any health program or service provided by the Heartland Health Region.

We sincerely express our gratitude for the efforts of the many individuals, volunteers, groups and organizations who have contributed to our health region in so many ways. Donations, whether they are financial, in-kind, or your valuable time are and always will be appreciated. The Authority wishes to acknowledge our employees, medical staff, management and volunteers for their diligent work and commitment to providing quality, client-based health services.

Finally, the success of our health region cannot be sustained without community involvement and public support. We will continue to seek community input in the future design of the health system. We are confident that with mutual understanding and co-operation, we will be able to provide sustainable, quality health care that meets the needs of our residents.

Lyle Leys
Chair

Gene Motruk, President
& Chief Executive Officer





Our Vision, Principles, Goals and Objectives

In September of 2003, the newly formed Heartland Regional Health Authority undertook strategic planning. The Authority adopted the goals and objectives as outlined in the Action Plan. From these, the Authority moved on to develop Key Actions. As a result of the efforts of the Authority and the management team, a Strategic Plan evolved that incorporated the Heartland Vision and Principles, Authority Goals and Objectives as well specific Action Plans.

OUR VISION

Building a province of healthy people and healthy communities

PRINCIPLES

Heartland Regional Health Authority Board of Directors believes in:

Quality
Fiscal Responsibility
Being Accountable to the people we serve

GOAL ONE: IMPROVED ACCESS TO QUALITY HEALTH SERVICES

Objective 1: Responsive, coordinated Primary Health care

- Define primary health care networks, including core services
- Begin development of standards for primary health care networks in areas of access, clinical standards, service standards and program requirements
- Enhance Department and RHA capacity to develop and support primary health care teams
- Submit Heartland Health Region plan for Primary Health Care
- Support the Provincial Performance Plan Key Actions
- *Develop a plan for Primary Health Care for Heartland*

The items in italics are
Management Team
additions.

Objective 2: Reduce waiting times for surgical procedures

- Establish a baseline inventory of the surgical programs in Heartland Health Region
- Evaluate opportunities for increased or decreased surgical programs in Heartland Health Region
- Through board initiatives, support and advance the establishment of a province-wide surgical waitlist registry
- Support the Provincial Performance Plan Key Actions
- *Complete a comprehensive surgical program review*

Objective 3: Improve Emergency Medical Care

- Ensure provision of ongoing training to First Responders
- Using a baseline inventory of the Heartland Health Region EMS service, establish a development plan that maximizes use of resources, and enhances scope of practices.
- Establish appropriate response time
- Establish ongoing education requirements of emergency nurses
- Support the Provincial Performance Plan Key Actions
- *Complete a comprehensive Emergency Medical Services review*



Objective 4: Improved hospital, specialized services and long-term care

- Using a baseline inventory of the Heartland Health Region Long Term Care facilities, establish a development plan that ensures the appropriate utilization of resources
- Establish standards of care within Heartland Health Region Long Term Care service
- Support the Provincial Performance Plan Key Actions
 - *Establish Long Term Care standards of care for Heartland - - To monitor RUGs indicators, Best Practice Policy and Procedures.*
 - *Conduct a needs assessment of institutional supportive care that will form the basis of a service provision plan that ensures appropriate utilization resources and access to quality Long Term Care.*

GOAL TWO: EFFECTIVE HEALTH PROMOTION AND DISEASE PREVENTION

Objective 1: Better promotion of health and disease prevention

- Develop, implement and evaluate a Heartland Health Region action plan for health promotion based on provincial priorities and local needs
- As Board members, recognize, promote, support and reinforce effective community health promotion programs
- Through the ongoing development of intersectional relationships create a focus on specific community needs
- Support the Provincial Performance Plan Key Actions
 - *Complete a Heartland Health Region Health Status Report*
 - *Inventory the needs assessments that have been done in our Heartland Health Region over the past 5 years*

Objective 2. Improve the health of Northern and Aboriginal communities

- Establish a baseline inventory of aboriginal populations and needs
- Support the Provincial Performance Plan Key Actions

GOAL THREE: RETAIN, RECRUIT AND TRAIN HEALTH PROVIDERS

Objective 1. Improve utilization and availability of health human resources

- Explore and enhance scope of practice for all health human resources
- Support and facilitate multitasking, multi skilled staff
- Invest in Heartland Health Region human resources
- Develop a positive image of establishing professional practice in rural Saskatchewan
- Support the Provincial Performance Plan Key Actions
 - *Develop Human Resources Plan for Heartland*
 - *Participate in Human Resources planning for province*
 - *Develop regional staff education plan*

Objective 2: Develop representative work places

- Support provincial Key Actions
 - *Develop strategy (plan) for a representative workplace*



Objective 3: Create healthier more effective work places

- Evaluate existing quality workplace initiatives
- Inventory and evaluate existing issues
- Develop key indicators of wellness
- Support provincial Key actions
- *Develop a quality workplace*
- *Develop disability management program for the region*
- *Develop attendance management program*

GOAL FOUR: A SUSTAINABLE, EFFICIENT, ACCOUNTABLE AND QUALITY HEALTH SYSTEM

Objective 1: Ensure quality, effective health care

- Participate in the establishment of a quality council that will encourage excellence throughout the health care system
- Progress on specific initiatives to improve health information systems to give health care providers and administrators the information they need to better coordinate and improve patient care.
- Participate in and promote the Accreditation process
- Build positive relations with physicians "working toward achievement of vision"
- Support provincial Key actions
- *Establish an accreditation process in the region*
- *To appoint a region representative to the Quality Council*
- *Development of an information management plan*
- *Develop intersectoral relationships*

Objective 2: Appropriate governance, accountability and management for the health sector

- Develop a Heartland Health Region system of governance
- Establish a Heartland Health Region Strategic Direction
- Enhance relationships with partners through improved communication
- Support and Participate in all Board orientation and education sessions
- Develop strategy for creation of Community Advisory Networks
- *Develop and implement a communications plan for the region*
- *Provide Continuing Education opportunities to the Authority members*
- *Develop strategic direction*
- *Establish region-wide advisory committees*

Objective 3: Sustain publicly funded and publicly administered Medicare

- Support provincial Key actions
- *Develop Materials Management strategic plan*
- *Educate public on proper usage*
- *Identify best practices in former districts*



Objective 4: Explore supplementary funding sources

- Explore other revenue and income sources
- Continue to explore revenue generators
- Encourage and support the development of foundations
 - *Source out potential grants*
 - *Determine relationships with foundations*
 - *To complete a review of possible generators*
 - *Develop a business plan to approach municipality for a voluntary annual tax donation for capital purposes*

Objective 5. Positive relationships with physicians

- Enhance communication
- Recognize and acknowledge the ongoing contribution and leadership of the physicians
- Encourage and facilitate physician involvement with quality care committees
- Establish the Medical staff management structure
 - *Develop Physician Manpower Plan*
 - *Establish medical staff administrative structure*

At the time of amalgamation the Heartland Regional Health Authority consisted of twelve appointed members.

Mr. Lyle Leys	Authority Chairperson	Eloose	
Ms. Betty Shapka	Authority Vice-Chairperson	Macklin	
Mr. Wayne Vaxvick	Outlook	Ms. Diane Javens	Rosetown
Mr. Gilles Colbert	Unity	Ms. Linda Neher	Kindersley
Mr. Erhard Poggemiller	Kerrobert	Ms. Cindy Hoppe	Biggar
Ms. Lynne C. Gillies	Saskatoon	Mr. Bill G. Sittler	Wilkie
Mr. Les G. Langager	Loreburn	Mr. Gary Johnson	Eston

At year-end March 31, 2001 eleven of the twelve original members remained. Mr. Gilles Colbert resigned effective January 2003 and as of March 31, 2003 this seat remains vacant.

The Heartland Regional Health Authority has made a concerted effort to evolve into a committed, unified and cooperative group. The progress made to this end is significant. Respect is evident in all interactions between Authority members, with administration and with the general public. The Heartland Regional Health Authority is a remarkable leadership entity.



Governance and Organization

Early in the amalgamation process the Heartland Regional Health Authority placed intense focus on the issues of Governance and Organization. Greenhead and Midwest Health Districts operated under the Carver Model of Governance. Prairie West had moved away from that model and had adopted a model more similar to the traditional models of governance found throughout rural Saskatchewan.

The Heartland Regional Health Authority focused concerted energy on the selection and definition of its governance style. Through discussion the Heartland Regional Health Authority chose "The Interdependent Model"¹. This particular model was helpful to the new Authority in that it facilitated a much clearer understanding of the roles the governing bodies play.

Interdependence is the recognition of the need to move from dependent relationships through independence to recognition of the power and value of working together in an interdependent fashion. Interdependence involves greater participation from the community and interdependent working relationships with many of the Regions partners.

The Board governance role and the role of the CEO involve both independent function and shared functions, which require working together to achieve success and interdependence.

From the publication *The Future of Health Care Governance* (Orlikoff)

"Effective boards must spend time creating the future, not monitoring the past. Governance is about empowering an organization toward visionary but attainable results within crafted boundaries. Talking about the past (monitoring) should take only 25% of the board's time and 75% creating the future (planning, setting policy, making decisions)..."

The board must control how board members spend time together, how a board controls and structures its agenda, how a board controls and structures the information it receives, and how a board structures itself (such as its committee structure and its composition) When a board controls these four critical governance levers, it will then be able to control the fifth crucial governance lever: how a board makes decisions.

Key governance relationships are the board – mission relationships, the board – CEO relationship, the board – physician entity relationships, and the board-community relationships."

¹ Much of the discussion and decision resource material was extracted from "Submission To The Regional Health Authority #6 Regional Health Planning Committee" May 22, 2002, Jim Fergusson, Interim CEO and Transition Coordinator.



Heartland Regional Health Authority Roles and Responsibilities

Governance boards have a range of roles to fulfill, from decision-making to representing the organization in the community at large.

Decision making - The Heartland Regional Health Authority has decision-making authority on particular items and either approves or denies approval on recommendations that are submitted to the Authority for consideration. For example, the Authority decides on the budget for the organization.

Reacting/reviewing - The Authority responds to information that is presented for purposes of making the Authority aware or getting the Authority's feedback (e.g. on proposals still in the developmental stages.)

Advising/recommending - The Authority provides advice and/or recommendations to the CEO and/or executive management on items that are part of management's decision-making mandate. The advice and/or recommendations may be provided when solicited or otherwise.

Motivating and supporting - The Authority provides motivation and support to the CEO and the organization.

Monitoring and assessing - The Authority monitors and assesses information provided to it in the form of reports on performance.

Representing - In an ambassadorial role, the Authority represents the organization in the community at large and with stakeholder groups specifically

The Authority has elected to operate as one body. No standing committees exist. One project group has been assigned to develop a policy manual for Authority review, approval and use. There is no plan at this time to establish committees.



The Heartland Regional Health Authority

Back row, left to right:

Erhard Poggemiller,
Kerrobert
Cindy Hoppe, Biggar
Les Langager, Loreburn
Linda Neher, Kindersley
Lyle Leys, (Chair) Elrose
Diane Javens, Rosetown
Gilles Colbert, Unity (To
January 2003)

Front row, left to right:

Bill Sittler, Wilkie
Betty Shapka,
(Vice Chair) Macklin
Gary Johnson, Eston
Lynne Gillies, Plato
Wayne Vaxvick, Outlook



Contracted Health Care Organizations

Canadian Mental Health Association, Kindersley

The Canadian Mental Health Association (CMHA) Kindersley Branch is funded by Sask Health through the Heartland Health Region. The Branch focus is on health promotion and education activities in the Kindersley area. The CMHA partners with Heartland Health Region and other community agencies in carrying out these activities.

BridgePoint Center for Eating Disorders, Milden

This is a provincial resource that is located in the Heartland Health Region at Milden. BridgePoint is governed by an independent Board of Directors. The Funding from Sask Health for this program is vetted through the Heartland Health Region. The BridgePoint Center provides education and treatment for eating disorders.



*The BridgePoint Center for Eating Disorders
is located in Milden, Saskatchewan*

Danny Fisher Centre, Kindersley

The Danny Fisher Centre is a program of the Kindersley and District Alcohol and Drug Abuse Society Inc. located in Kindersley, Saskatchewan. The Danny Fisher Centre provides out-patient assessment, treatment, referrals and education to individuals, families, and agencies dealing with alcohol, drug and other chemical dependencies and problem gambling issues.

The Centre also provides screening and referral for the SGI Safe Driving Initiative funded by SGI through the Heartland Health Region. The Danny Fisher Centre is funded by Sask Health through the Heartland Health Region who in turn has a service agreement with the organization to provide the noted services.

The Danny Fisher Centre also holds a contract with SGI to deliver the Driving Without Impairment (DWI) program for the Kindersley and Rosetown area.

St. Joseph's Health Centre, Macklin

St. Joseph's Health Centre in Macklin is the only health care organization in Heartland that is classified as an affiliate. It offers long-term care and program beds as well as providing space for Heartland's EMS and Community Services. The Heartland Health Region looks forward to a continuation of the cooperative working relationship St. Joseph's maintained with the former Greenhead Health District.



The Transition

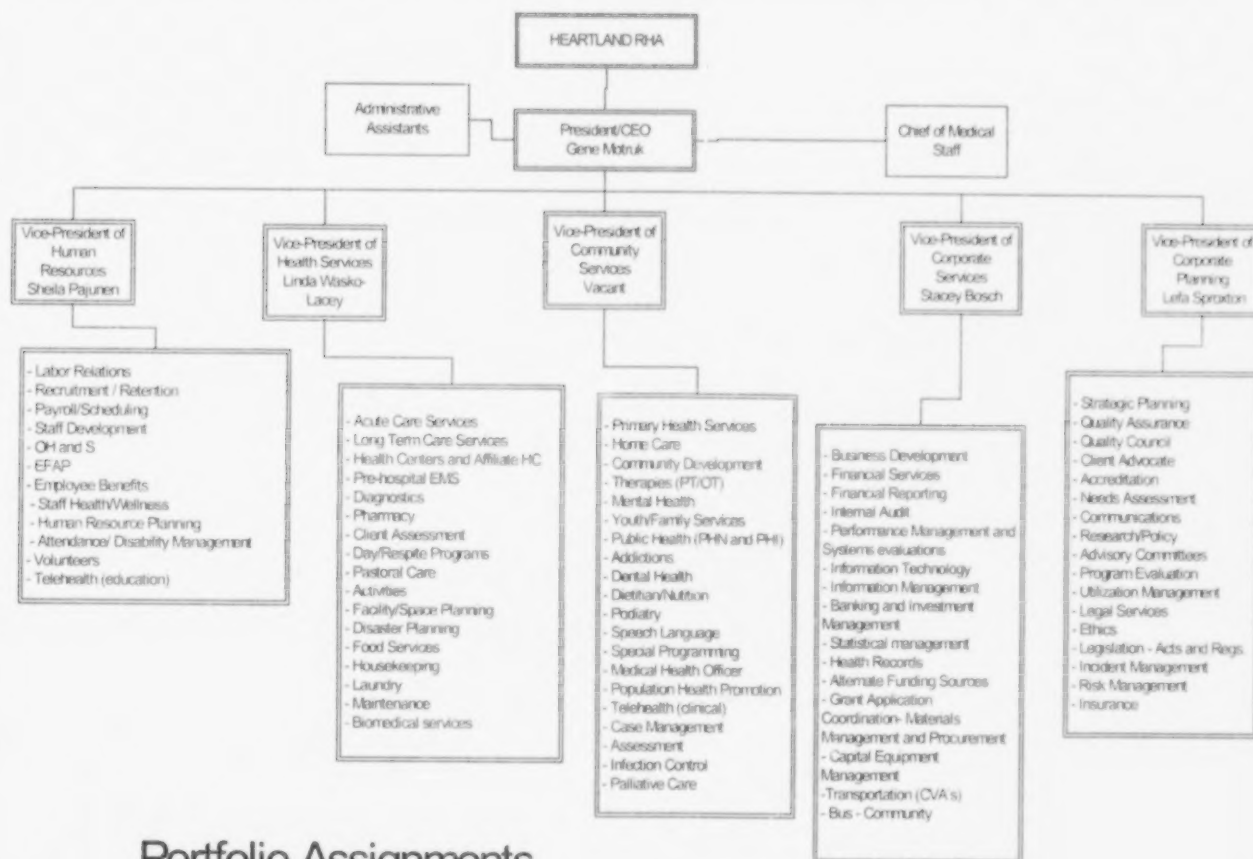
Although no amalgamation is without its challenges certainly the three former districts of the Greenhead Health District, Midwest District Health and the Prairie West Health District were well positioned to undertake this task. These three districts together formed the Tri-District Service Area. Many of the staff had worked cooperatively over the years on a wide range of topics and projects. All three of the CEOs: Gene Motruk from Greenhead, Doug Ball from Midwest, and Rick Stevenson from Prairie West were committed to ensuring the smoothest most effective transition possible.

The following dates and events highlight those that have most influenced the amalgamation and transition to the RHA structure:

- **February, 2002** – Board Member Appointments for Regional Health Authorities. Chair and Vice-Chair also appointed.
- **March 4, 2002** – First Regional Health Authority #7 Planning Committee Meeting for appointed board members.
- **May 23, 2002** – Doug Ball CEO of Midwest District Health is appointed Regional Coordinator
- **July 16, 2002** - Decision is made to name Rosetown as Regional Headquarters
- **August 1, 2002** - Proclamation of Saskatchewan's *Regional Health Services Act*. This document outlined clearly defined responsibilities and expectations
- **August 1, 2002** – Appointment of Regional Chief Executive Officer, Gene Motruk.
- **September 5, 2002** – The decision was made to name the new Region "Heartland". Heartland was chosen because it brings to mind the very nature of the people of West Central Saskatchewan. They are the unassuming, community minded, country people whose traditions and values make our Province what it is.
- **September 30 and October 1, 2002** – Heartland Regional Health Authority, CEO and Directors attended an Organizational Development Retreat to enable the Authority to develop its Vision, Principles, Goals and Objectives (Strategic Plan). It was at this event that Heartland was able to begin creating a new Regional identity. This was clearly demonstrated by the adoption of Saskatchewan Health Vision, Goals and Objectives with the Heartland addition of Objectives specific to itself. It was also at this event that the Authority began to formulate its direction to the CEO in terms of the relative emphasis to be placed on each of the objectives.
- **October 16, 2002** – New Regional Office was ready for occupancy. Staff began moving in.
- **December 16 and December 17, 2002** – Management Retreat - Developed Guiding Principles, Performance Plan with Action Items based on the Strategic Plan developed by the Authority
- **December 22, 2003** – All existing OOS personnel have been offered positions within the new Heartland Health Region Administrative structure.
- **January 10, 2003** – The Authority made the final selection of the Heartland Health Region Logo.
- **February 4, 2003** – Management Staff meeting. All Management Staff came together for the first planning session. The Team Charter or Principles were shared. Heartland's Management Staff committed to the Principles and to the future of the Heartland Health Region.



The Administrative Structure of the Heartland Health Region



Portfolio Assignments Heartland Health Region

March 30, 2003

Note: Regarding the Heartland Health Region Medical Staff Structure

Ongoing discussions with the Saskatchewan Medical Association, the College of Physician and Surgeons, other Regional Health Authorities and the Department of Health continue. To date, no formal regional structure for the Medical staff has been established. Physicians continue to function within their former district structures.



Public Transparency

All meetings of the Heartland Regional Health Authority are open to the public. The media is encouraged to attend and news releases are issued to all regional media after each meeting. Special news releases and stories of interest are regularly provided to the media. Concerted efforts are made to communicate regularly with all schools, school divisions and municipal governments. Both the President/CEO and the Chairman of the Authority welcome opportunities to speak to and with groups including the media.

To facilitate better interaction with local communities the Authority meetings are held in various locations throughout the Region. Local municipal leaders are invited to the board table and to lunch on those days.

Both the Chairman of the Board and the President/CEO have made and continue to make relentless efforts to be accessible. They have become involved with the West Central Government Group, which includes eighty local governing bodies and four school divisions. This provides a regular opportunity for dialogue.

Extensive use is made of the local media to enhance transparency. Monday through Friday Heartland provides a Radio promotion "Good Health" which includes health messages as well as information pertinent to the Region. "Health Matters" is a weekly column in a regional newspaper that outlines upcoming events. The Heartland Health Region website is updated weekly to reflect the latest developments, issues, stories and employment opportunities. It also provides links to a wide range of related web sites. "Health Talk" is an ongoing series of articles by various professionals. These articles are provided to and published in weekly newspapers throughout the region.

The Advisory Structure Employed by the Heartland Health Region

Maintaining interactive relationships with the various segments of such a large and geographically vast region is challenging. Presently many avenues exist through which that advisory component is achieved.

Examples of these include:

- Local Health Foundations and Auxiliary Groups
- West Central Government Group (includes representation from rural municipalities, towns, villages and school divisions.)
- Rural Economic Development Association (REDA)
- Local Interagency Groups
- Partnership programs such as Traumatic Events Response Team (TERT), Schools Plus, Watch Me Learn, and the '180 Group.'
- Regional Intersectoral Committees
- Volunteers

Since Heartland was created much work has been done on the amalgamation of the Quality Care Committee structures that existed in each former district. The newly proposed structure will ensure the inclusion of community and client representation.

Heartland has developed a proposal for the creation of three Community Advisory Committee Networks within the region. The Declaration of Interest opportunities will be publicized in early summer and further developmental work will occur at that time.



Major Initiatives and Accomplishments

This inaugural year for Heartland Health Region has been one filled with both challenges and accomplishments. We are very proud of what we have achieved and believe that we are firmly grounded for the future. Some of our major achievements include:

Successful Amalgamation

Amalgamating three very independent and progressive health districts can be fraught with challenges. Heartland has successfully pulled those three districts into not a quilt of their former selves but rather a new and vibrant organization. A new identity, a new vision, new goals and objectives and in fact a new culture have been created.

The Management Team under the leadership of the President and Chief Executive Officer have worked to develop a culture that will facilitate personal and professional growth as well as provide an environment within which superior service can be provided. As part of their commitment to that future the management team has adopted a Team Charter (See Team Charter on Page 15), which outlines the Guiding Principles to which they subscribe.

Deadline Adherence

Although meeting deadlines and submission expectations is often considered just part of the job, we in Heartland, have made a focused effort to always be on time and always complete our submissions in a manner that we can be proud of. This is a demand that has placed increased strain and demand on staff throughout the organization. An example of this would be the tremendous effort put forth to develop and present the October 18, 2002 Operational Plan to Treasury and Executive Council. Only a skeleton staff had been assigned new positions, and significant challenges were encountered during the transition period. This standard of achievement has become woven into the culture of Heartland.

A Strong Management Team

Heartland has a strong, committed and progressive Management Team. As the three former districts came together so did the skills and talents of the management group. It is a team that one is proud to be a member of. It is also important to note that there was minimal disruption to personnel in terms of relocation to meet the requirements of their new positions. Certainly this contributed to the Regions ability to retain personnel.

Central Regional Office

A new Regional office, different than any of the former district offices was established. This was an important achievement in our developmental process.

*Sign being installed on the Heartland Health Region
Regional Office in Rosetown.*



Strategic Plan, Performance Plan and Action Plan Development

Perhaps our greatest developmental achievements as a Region revolved around our Strategic Planning Work. The new Heartland Regional Health Authority developed its Vision, Principles and Performance Plan. The Management Team then went on to develop Performance plans and Action Plans to move Heartland to the achievement of the Strategic Plan. All Authority Members and all Management staff provided input into the various components of this work.



Web Site Development and Education

Heartland was able to have a Web Site up and running by March 2003. The site offers basic information on the health services provided by the Heartland Health Region, including emergency services, acute care, long term care and community health services. The address of the Heartland Health Region is:

www.hrha.sk.ca

A particularly creative use was made of the Web Site in late March when Heartland addressed the need to provide Infection Control Education to all staff. Meeting the educational needs of a large group of staff dispersed throughout a huge geographic area is difficult. Heartland rose to the challenge by placing the Education Package on our Website. Staff can review the material at home on their PC or at work at a computer station. This is an exciting achievement for Heartland and it offers tremendous potential.

Individual Achievements

There is no doubt Heartland consists of an amazing and talented group of individuals. The following evidences this:

- The Saskatchewan Association of Health Organizations (SAHO) Green Ribbon Award was presented to the Heartland Health Region for the WATCH ME LEARN Program. The program evolved as a result of a demonstrated need in the community of Biggar, creating a partnership between various agencies and parents. Brenda Anderson, Public Health Nurse, spearheaded this worthwhile project. The program's overall success, the positive evaluations after each 10-week session, and the long list of partnerships created by WATCH ME LEARN earned the program a mark in excess of 86.7% by SAHO adjudicators.
- SAHO also awarded a Green Ribbon Honourable Mention to the Heartland Health Region for the CPR for High School Students program. This program was provided to grade 11 and 12 students in Eatonia, Denzil, Kindersley, Eston, Major, Kerrobert, Marengo, Luseland and Plenty. Ian Holton, EMT-A, Alvin Ternes, EMT-A, and Kim Johnston, EMT-A worked with Deanna Soleski, Program Coordinator at the Prairie West Regional College with the assistance of Kindersley EMS.
- Krista Koenders, EMS Coordinator in Biggar, was presented with the SAHO Award for Outstanding Academic Achievement. Ms. Koenders earned a final mark of 91% in the Health Care Administration Program, Emergency Medical Services Option, the top mark in Saskatchewan. She received a certificate honoring this achievement from Louise Simard, President and CEO of SAHO as well as a bursary in the amount of \$500.00.
- Barbara-Ann deHaan, Programs Coordinator, Biggar Home Care, was awarded the Queen Elizabeth Golden Jubilee Medal. The Golden Jubilee Medal was struck to commemorate the Golden Jubilee of Queen Elizabeth II and was awarded to 46,000 Canadians. The Canadian Celiac Association nominated Ms. deHaan for the Golden Jubilee Medal for her volunteer effort at both the national and local levels. She was awarded this honor in recognition for her lead role on the education committee of the Canadian Celiac Association. The committee developed a national standard "New Information Kit" for people newly diagnosed with celiac disease. In addition to this honour, the YWCA in Saskatoon nominated Ms. deHaan for a Woman of Distinction Award.



(Left to right) SAHO Board Chair Alex Taylor, Brenda Anderson, Public Health Nurse, Gene Motruk, Heartland Health Region President and CEO, and Louise Simard, SAHO President and CEO.



The Heartland Health Region Team Charter

These leadership principles have been developed and agreed to by the Heartland Leadership Team. They form the foundation on which our conduct is based. We have given our word to these Principles and we can expect each other and ourselves to strive to live up them.

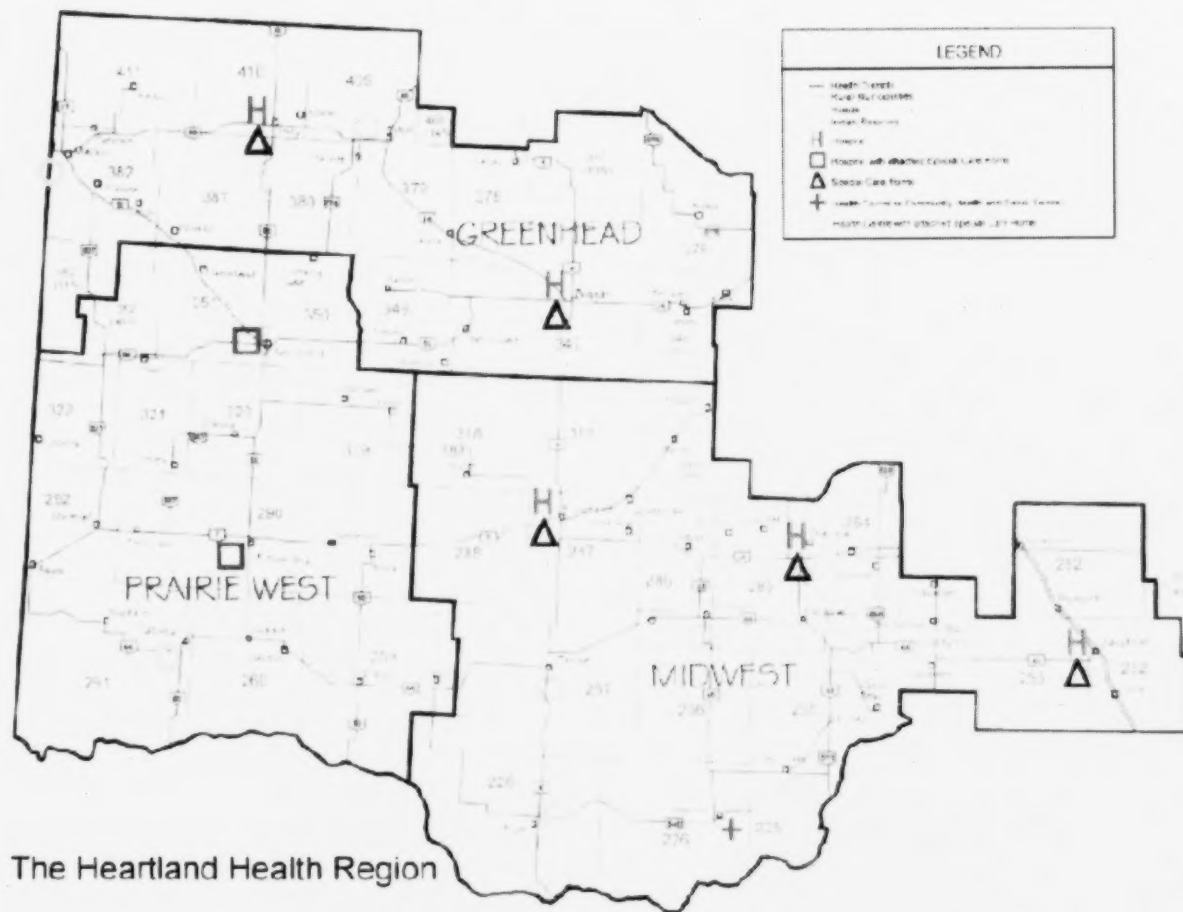
- INTEGRITY** means:
- * Having sound moral principles
 - * Wholeness
 - * Being consistent in what we say and do.
 - * Being accountable
 - * Sincerity
- HONESTY** means:
- * Straightforward
 - * Truthfulness, genuine, taking accountability for your actions
 - * Truthful open and upright
 - * Acting with integrity
- MUTUAL RESPECT** means:
- * Consideration of others
 - * High regard and acknowledgement of others.
 - * Treat others as you wish to be treated – "The Golden Rule"
 - * Having regard for the feelings, talents, abilities & opinions of others.
 - * Believing in the "goodness" of other people.
 - * "Is a given"
- TRUST** means:
- * Having confident expectations
 - * Be straightforward and open
 - * Being confident in self and others
 - * Being truthful & authentic
 - * Putting faith in others
 - * Earned or developed state
- EMPATHY & COMPASSION** means:
- * Non-judgmental support.
 - * Willingness to listen and accept others feelings
 - * Caring
 - * Having a desire to help
 - * Listening
 - * Empathy means to understand while compassion is the action
 - * Sensitivity
 - * Humanity
- COURAGE** means:
- * Willingness to stand up for or do what needs to be done.
 - * Have the conviction to be true to what you believe in.
 - * Going forward with your convictions whether they are popular or not.
 - * "Boldly going where no one has gone before"
 - * Taking responsibility.
 - * Prepared to take a risk (supported with knowledge)
- ABUNDANCE** means:
- * A mind set: having an abundance versus scarcity thinking
 - * Being inclusive/expansive to address resource issues or situations
 - * The whole is greater than the sum of it's part (Stone Soup)



Regional Environmental Scan

Heartland Health Region Map

The Heartland Health Region, population 46,127, is geographically located in west central Saskatchewan. Its major boundary landmarks include the South Saskatchewan River to the South and the province of Alberta boundary to the west. The region covers a land area of 40,320 square kilometers with a population density per square kilometer of 1.1 (Statistics Canada). There are 67 towns and villages, 43 rural municipalities and 18 Hutterite Colonies located in the region. The largest community in the region is the town of Kindersley with a population of 4,890 residents. The four other major trading centers in the region have populations of between 2,381 and 2,714 residents.





Towns and Villages in the Heartland Health Region

Adanac	Elrose	Landis	Rosetown
Alsask	Eston	Loreburn	Ruthilda
Arelee	Evesham	Loverna	Salvador
Beechy	Flaxcombe	Lucky Lake	Scott
Biggar	Girvin	Luseland	Senlac
Birsay	Glenside	Macklin	Smiley
Bladworth	Glidden	Macrorie	Sovereign
Brock	Handel	Madison	Springwater
Broderick	Harris	Major	Strongfield
Cando	Hawarden	Mantario	Tessier
Coleville	Herschel	Marengo	Tramping Lake
Conquest	Kelfield	Milden	Unity
Davidson	Kenaston	Netherhill	Wilkie
Denzil	Kerrobert	Outlook	Wiseton
Dinsmore	Kindersley	Perdue	Zealandia
Dodsland	Kinley	Plenty	
Eatonia	Kyle	Primate	

Rural Municipalities in the Heartland Health Region

RM 322 Antelope Park	RM 290 Kindersley	RM 321 Prairiedale
RM 252 Arm River	RM 256 King George	RM 351 Progress
RM 347 Biggar	RM 228 Lacadena	RM 379 Redford
RM 409 Buffalo	RM 254 Loreburn	RM 378 Rosemount
RM 225 Canaan	RM 350 Mariposa	RM 410 Round Valley
RM 261 Chesterfield	RM 317 Marriott	RM 284 Rudy
RM 255 Coteau	RM 282 McCraney	RM 411 Senlac
RM 376 Eagle Creek	RM 286 Milden	RM 259 Snipe Lake
RM 382 Eye Hill	RM 292 Milton	RM 287 St. Andrews
RM 285 Fertile Valley	RM 257 Monet	RM 380 Tramping Lake
RM 377 Glenside	RM 318 Mountain View	RM 226 Victory
RM 349 Grandview	RM 260 Newcombe	RM 253 Willner
RM 381 Grass Lake	RM 320 Oakdale	RM 259 Winslow
RM 316 Harris	RM 346 Perdue	RM 281 Wood Creek
RM 352 Hearts Hill	RM 288 Pleasant Valley	

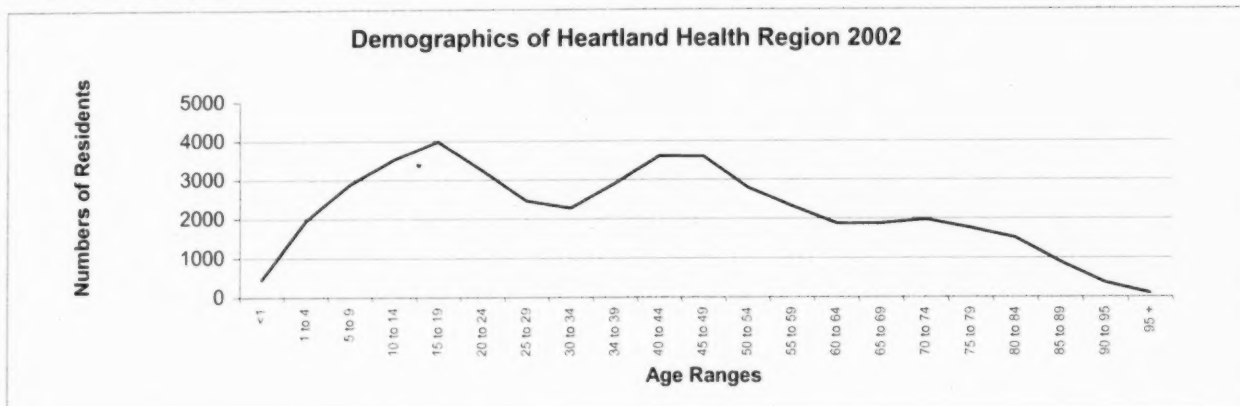
Hutterite Colonies in the Heartland Health Region

Name	Location in Region	Name	Location in Region
Beechy	S of Beechy	Kyle	S of Elrose
Big Rose	S of Biggar	Lakeview	SE of Unity
Clear Springs	SW of Kenaston	Sovereign	NW of Sovereign
Rosetown	NW of Rosetown	Scott	SE of Wilkie
Dinsmore	E of Dinsmore	Smiley	NW of Kindersley
Eagle Creek	NE of Arelee	Springfield	NE of Kindersley
Eatonia	SW of Eatonia	Springwater	N of Ruthilda
Glidden	S of Kindersley	Sunny Dale	NW of Arelee
Goldenview	NW of Biggar	Willow Park	N of Tessier



Demographics

The population of the Heartland Health Region for the year 2002 was 46,127 residents. This represents a 0.9% decrease in total area population from last year. Of the total population 23,268 are males and 22,860 are females. As the graph below indicates, there are population peaks in the late teen age group as well as in the 40 to 50 year old age group.



Population Projections

In 1971, the geographic area that is now the Heartland Health Region had a population of 61,257 residents. That number has steadily declined to today's population of 46,127. If this trend continues, the following population projections may become reality:

Age Groups	0 to 9	10 to 19	20 to 39	40 to 59	60 to 79	80 to 95+	Total
2001 Actual	5,376	7,711	11,031	12,005	7,639	2,780	46,542
2006 Prediction	4,731	6,198	10,318	12,132	6,973	2,909	43,262
2011 Prediction	4,607	4,876	9,954	11,140	6,877	2,794	40,249
2016 Prediction	4,448	4,302	9,118	6,656	7,528	2,481	37,531
2021 Prediction	4,051	4,193	7,749	8,543	8,217	2,175	34,927
% Change 2001-2021	- 24.6%	- 45.6%	- 29.8%	- 28.8%	+ 7.6%	- 21.8%	- 25.0%

Source: 2002. Saskatchewan Health. Saskatchewan Population Projections 2006 to 2021.

These population projections predict that a dramatic decrease in the number of region residents could occur within the next twenty years. This is with the exception of a small growth in the 60 to 79 year old population between 2016 and 2021. The largest decline will occur in the children and youth members of the population. These trends will have a definite impact on key health services in the region.



Rural Depopulation

Rural depopulation in Saskatchewan is not an unknown trend. In the past, it was common for farmers to leave their land and settle within neighboring towns or villages. What the current statistics show, however, is that people are not only leaving the farm but are also leaving the area.

	Towns & Villages	Rural Municipalities	Region Totals
2002	30,653	15,474	46,127
2000	30,768	16,323	47,091
Difference	115 fewer people	849 fewer people	964 fewer people
% Change 02-00	- 0.37%	- 5.20%	- 2.0%

Source: Covered Population 2000 & Covered Population 2002, Saskatchewan Health

Number of Farms

Further to what the statistics tell us about rural depopulation of our health region, there is an increasing trend in the province as well as the country about the ever-decreasing number of farms.

	2001	1996	Difference	Percentage change
Canada	246,923	276,548	-29,625	-10.70%
Saskatchewan	50,598	56,995	-6,397	-11.20%

Source: <http://www.statcan.ca/english/agcensus2001/first/farmop/01front.htm#1>

School Divisions

There are ten school divisions within the Heartland Health Region area with 59 schools.

School Division	Number of Schools	School Division	Number of Schools
Biggar SD	7	Davidson SD	4
Eston-Elrose SD	6	Kindersley SD	10
Landswest SD Wilkie	11	Northwest Catholic SD Unity	2
Outlook SD	7	Rosetown SD	10
Saskatoon West SD	1	St. Gabriel's Catholic SD Biggar	1



Income and Economics

	Heartland Health Region			Saskatchewan		
	Total	Male	Female	Total	Male	Female
Labour Force participation rate	71.6	81.0	61.9	67.8	74.3	61.6
Employment rate	69.1	78.4	59.7	63.5	69.1	58.1
Unemployment rate	3.4	3.2	3.7	6.3	6.9	5.7

Source: 2001 Community Profile found at <http://www12.statcan.ca/english>

	Heartland	Saskatchewan
Median family income - All Census families (\$)	\$50,766	\$49,264
Median family income - Couple families (\$)	\$52,600	\$54,341
Median family income – Lone-parent families (\$)	\$28,894	\$24,787
Median household income – All households (\$)	\$40,543	\$40,251
Median household income – One person household (\$)	\$19,598	\$18,745
Median household income – Two + persons households (\$)	\$50,979	\$50,328
Average gross monthly payment for rented dwelling (\$)	\$428	\$524
Average monthly payments for owner-occupied dwelling (\$)	\$492	\$638

Source: 2001 Community Profile found at <http://www12.statcan.ca/english>

Agriculture

Agriculture remains a primary industry throughout the Heartland Health Region. The recent drought, which in some areas extended into its third year, is having a significant impact on the economy of the region. Statistics Canada reports on March 31, 2003 indicates that total stocks of grains and oilseeds in western Canada were much lower than in previous years. On-farm stocks of the six major grains reached 11.1 million metric tonnes, down 5.2 million tonnes from 2002.

"The lack of stocks will likely adversely affect the revenues and profitability of producers, as well as the entire western Canadian grain industry, at least until the fall of 2003." The Daily, Thursday May 8, 2003, Stocks of Grain.



Progress and Results

As the three districts came together the programs and services that had been in place continued to be delivered. Best practice examinations began and energies were spent on standardizing services and ensuring access across the region. Some reorganization and realignment of programs was achieved.

Although the focus has not been on the introduction of new programs or services several achievements are notable. Heartland reached the end of the fiscal year with a full complement of physicians. This was something to be pleased with as physician recruitment and retention is an ongoing challenge.

In October Heartland assumed ownership of the only Private Ambulance service in the region. This means that all EMS service in Heartland is operated under the auspices of Heartland with the exception of two small fire department EMS services located in Beechy and Elrose.

Participation in the School Plus program has also been a exciting opportunity. The Department of Learning has determined that the role of the school has changed-- schools today have two primary functions:

- to educate children and youth -- nurturing the development of the whole child, intellectually, spiritually, socially, emotionally and physically and;
- to support service delivery -- serving as centres at the community level for the delivery of appropriate social, health, recreation, culture, justice and other services for children and their families. "

This is a concept that has tremendous potential to benefit all children and their families

For the most part this was a year of developmental work. Shortly after the formal amalgamation of the new region, work began on the development of appropriate documents to identify our plans for the future. These consisted of the Strategic Plan, the Performance Plan, Action Plans and the Operational Plan. Several drafts of the latter were produced in preparation for the final document, which details the 2003-2004 Operational Plan.

This was not a year of measuring our achievements. However, extensive preparation has been done to ensure ongoing evaluation of our progress toward meeting our Strategic and Performance Plan goals. Performance plan evaluation has been structured to occur quarterly. Quarterly benchmarks have been established and will be monitored. This will provide opportunities to both alter existing goals and add new initiatives.

The Authority has developed an **Evaluation Framework** that was derived from the following statement of intent:

"The Heartland Health Region Authority is committed to ongoing evaluation for the purpose of continued improvement. As time progresses, and as our systems and processes change, so will our evaluation"

The Heartland Regional Health Authority has established specific tools that facilitate ongoing measurement of performance. These include:

1. **Strategic Plan Evaluations** - The Heartland Health Regional Authority Strategic Plan (Performance Plan) with its accompanying Action Plan is monitored on an ongoing basis and reported on quarterly.
2. **Meeting and Annual Personal Self Evaluation** - At each meeting, all members of the authority have the opportunity to complete a self-evaluation of their personal performance and the group's performance in the meeting. The evaluations are submitted to the CEO who tabulates the responses and returns them to the next meeting.

Each year all members shall complete a self-evaluation and identify specific areas that require additional knowledge related to governance and health system issues. Authority members shall provide action plans for upgrading knowledge in at least one of the identified areas.



Progress and Results (Continued)

4. Roles and Expectations Document Evaluations - This document outlines the roles of both the Minister and the Authority. Very clearly expectations have been developed for the Authority who monitors itself on a monthly basis. One of the six sections is reviewed with Authority and organizational performance being assessed against the expectations.

5. Accreditation - The Canadian Council on Health Services Accreditation review is routinely sought in a three-year cycle.

The Management team within Heartland Health reports regularly to the Authority on the progress being made toward the established goals. The following have been identified as performance measure:

1. Performance Plan and Action Plan Monitoring - The Organizational Performance Plan is monitored quarterly and a document entitled Measures of Success is provided to the Authority. Vice Presidents are accountable for ongoing monitoring of the achievement of Action Plans relevant to their portfolios.

2. Roles and Expectations Document Review - The Senior Leadership Team reviews one section of this document monthly to determine the effectiveness of our operational strategies in supporting Authority compliance.

3. Quality Care Committees - The basic structure has been designed to establish Regional Quality Care Committees. These will be introduced and placed into operation in 2003-2004.

Heartland inherited a range of services offered in a variety of ways as the Region was born from the three districts. To establish and evaluate these services, various studies were initiated and are underway. They include:

- Emergency Medical Services Review
- Surgical Program Review
- Mental Health Review
- Review of Long Term Care Services
- Support Services Review
- Volunteer Services Inventory
- Needs Assessment/Review Document Inventory
- Inventory of Mandatory Education Programs
- Inventory of Existing Disability Management Programs
- Inventory of Attendance Management Programs

This baseline development work was underway at the conclusion of 2002-2003 year end.

Initial work is beginning on the development of multi year Operation Plans. The Operational Plans will detail the financial and service plans for the region.

At year end the joint Sask Health and Region Accountability Document that had been under development is beginning to take shape. This document combined with the internal monitoring will provide effective and thorough measures of success.



Challenges and Future Directions

Future Service Delivery Planning

The greatest challenge that Heartland faces in the near future is the development of the capacity to make reasonable predications about the future of the Region and the needs of its residents.

Health services have the potential to consume massive quantities of resources. It is essential that accurate planning be done to ensure that the right services are available in the right amounts and in the right places. This can be difficult in the face of changing demographics. Some of the questions we continue to seek answers to are: Where will older people choose to live? Will young people stay in the Region or move away? Will rural populations decrease, stabilize or increase? Will agriculture flourish? Will oil be a major economic contributor?

Decentralized services are challenging to manage. Typically these facilities are smaller and geographically isolated. These factors, combined with others such as lack of peer professionals and limited spousal employment opportunities can make recruiting difficult. In many cases, the facilities are older buildings that are in need of renovations. Some were built at a time when the occupants were Level 1 and Level 2 Care. The residents of these facilities now require significantly more care. Often facilities are less than appropriate for the residents.

Human Resource Availability

The availability of Human Resources poses a tremendous challenge, a challenge that exists not only at the regional level but also the provincial, national and international levels. As Heartland looks forward into the future of health care in this region it is essential to explore ways in which we can attract and retain health care providers. We need also to be able to ensure a sufficient volume of service to maintain and enhance skills.

Capital and Infrastructure Maintenance Costs

The issue of Capital and Maintenance Costs is a major concern. Capital projects are of such extreme cost that Heartland must be certain in its future planning of them. The cost of maintaining the infrastructure that presently exists challenges the demands on the operating budgets.

Heartland, like all rural regions must ensure an appropriate strategy. No region can afford to build or maintain a facility that is in the wrong place. No region can plan to deliver a service for which it is impossible to attract and retain health professionals.

Heartland has initiated the development of processes for multi-year planning that extends beyond the next decade. This process will secure input from a wide range of sources including interaction with many individuals, stakeholders, organizations etc. as well as existing resources available to the Region from various documents and research studies conducted over the years.

Planning the future brings tremendous challenges.

It is Heartland's greatest challenge.



Discussion and Analysis

At the time of Amalgamation, although there were no formal Objectives or Goals, clearly the President and CEO had a vision of an effective administrative structure and a new region. He made decisions that included insuring a flat organizational structure. It was important to facilitate quick decision-making and the closer the decision could be to the problem the better. He did not want people waiting as requests wound their way up through layers of people and back down again. This was achieved.

The President and CEO wanted senior people to each be assigned a specific program area and have them work independently but cooperatively to develop and achieve regional goals. This was achieved.

A decision was also made to have the majority of the senior staff co-located in the central office. This is a rented building centrally located within the Region. This was achieved.

As soon as senior staff was in place, the President and CEO charged them with collectively assessing the needs of the organization and proposing an organizational structure that would address those needs. This was achieved.

Mr. Motruk also endeavored to allow minimal disruption to other management staff within the Region. Most people stayed in the same office doing a very similar set of duties. This facilitated staff adjustment to the new organization and allowed the organization to benefit from retaining a wide range of highly skilled professionals. As vacancies occurred, organizational needs changed, and priorities were adjusted the appropriateness of job assignments would be continually monitored. This was achieved.

An event of significance that occurred early in our existence as a Region was the Health Sciences Association of Saskatchewan (HSAS) strike. For one month in early fall the Region faced the challenges this presented. The withdrawal of Emergency Services placed additional pressures on Management.

Human Resource Issues

Our human resource issues threaten Heartland's ability to provide appropriate services. If Heartland cannot maintain the appropriate human resources in the appropriate quantities and places the services required cannot be maintained.

An examination of the potential departures from service as a result of retirements and resignations indicates that Heartland services are indeed at risk. Human resource planning has begun to ensure that Heartland is able to identify and address these challenges.

Capital Purchasing and Facility Maintenance

In order to reduce the risk presented to Heartland in this regard, concerted effort must be made to build up the Capital Fund. It is essential that equipment be maintained and replaced. Buildings need constant attention to ensure safety and acceptability standards. At the time of amalgamation there were three major projects underway. These included projects in Outlook, Kindersley and Rosetown. These projects have been carried forward. The roof of the Outlook and District Pioneer Home was repaired. Safety issues in Rosetown (Fire Sprinkler System) and Kindersley (Medical Gas System) are going to be addressed. These will require additional time, human resources and financing.

Heartland acquired a large number of relatively small facilities through amalgamation. The economics of managing such a decentralized delivery system poses many challenges. It will become clearer how we address these challenges as we move toward the realization of the primary care model as outlined in the Action Plan for Saskatchewan Health Care.



Summary Report On Health Care Organizations

BridgePoint Center for Eating Disorders

It is the intent of the Heartland Health Region to clarify the accountability relationship between the BridgePoint Center for Eating Disorders and the Heartland Health Region as well as Sask Health.

Danny Fisher Centre

In February of 2003, the Heartland Health Region and Kindersley and District Alcohol and Drug Abuse Society Inc. began discussions to facilitate the amalgamation of the Danny Fisher Program into the Heartland Health Region Addictions Services.



Looking Back

The Heartland Health Region

Often only when one stops in time and looks back does one truly appreciate from where one has come.

Heartland has come a long way in a short time. These past months have been a time of tremendous challenge, change and achievement. In eight short months Heartland grew from an idea on paper to a vibrant, progressive organization. A newly appointed CEO structured his senior Management team and with them designed and pulled together the remainder of the administrative structure. Subsequently almost 1700 employees were woven together to create Heartland Health Region. It is important to note that through all of this development no staff positions were lost and few relocations occurred. A sixty million dollar budget was pulled together from three significantly different financial structures. An organizational identity rooted in principles was developed and adopted. Strategic Planning was undertaken early in the development of Heartland's future. The one remaining component of administration to be defined is the Medical Staff structures. Discussion are underway to define this structure.

This has been a busy time and much has been achieved. Heartland has created a firm foundation upon which to build.

Looking Forward

Heartland looks forward with anticipation to a promising future. The next fiscal year promises much progress. Service reviews will be completed. Further integration of services and processes will be ongoing. Opportunities will present themselves that allow the creation of new and better ways of delivering services. Primary Health will begin to grow as both a concept and a service delivery model throughout the Region. Quality Care Committees will evolve as preparations begin for an Accreditation visit in 2004.

How Can it Be?

Heartland can only be successful because of the people. The Authority from its very beginnings was committed to building a strong governing team, supporting the President/CEO and his management staff. The President/CEO was clear in his vision and his convictions as he moved forward to develop the organization. The management team and staff were in positions they wanted to be in, within an organization they were committed to. Everyone, including the Foundations, the communities and the municipal leaders have supported and encouraged the development of Heartland. This first Annual Report is a testament to the hard work and faith of the people of Heartland.



Financial Report

The Heartland Health Region is proud to report an operating surplus of \$148,657. Unfortunately due to equipment pressures and lack of capital funding, the Capital Fund ended with a deficit of \$521,156, leaving an overall deficit of \$372,499.

The region functioned as three separate financial operations during this year and completed five audits of financial statements, compliance and controls. This included a provincial audit, three former district audits, and a Heartland audit.

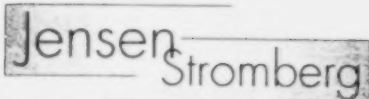
A majority of the operating financial pressures for 2002 - 2003 were tied to the changeover from three districts to one region. Other pressures included the union contract settlement for both Saskatchewan Union of Nurses (SUN) and Health Sciences Association of Saskatchewan (HSAS), and general equipment and building repair expenses.

Heartland Regional Health Authority

Auditor's Report

Financial Statements

March 31, 2003



CHARTERED ACCOUNTANTS

Bill Jensen, CA Jeff Stromberg, CA

AUDITOR'S REPORT

To the members of
Heartland Regional Health Authority

We have audited the statement of financial position of **Heartland Regional Health Authority** as at **March 31, 2003** and the statements of operations and changes in fund balances and cash flows for the year then ended. These financial statements are the responsibility of the Authority's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Authority as at March 31, 2003 and the results of its operations and cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

Saskatoon, Saskatchewan
May 12, 2003

Jensen Stromberg
Chartered Accountants

HEARTLAND REGIONAL HEALTH AUTHORITY

STATEMENT OF FINANCIAL POSITION

March 31, 2003

with comparative figures for 2002

	Operating Fund	Restricted Funds		Total 2003	Total 2002
		Capital Fund	Community Trust Fund		(Note 10)
ASSETS					
Current assets:					
Cash and short-term investments (Schedule 2)	\$ 3,819,326	1,208,383	52,657	5,080,366	5,937,607
Accounts receivable					
Saskatchewan Health - General Revenue Fund	781,398	408,650	-	1,190,048	791,310
Other	676,734	14,334	2	691,070	821,721
Inventory	934,242	-	-	934,242	969,307
Prepaid expenses	148,505	-	-	148,505	301,854
Total current assets	6,360,205	1,631,367	52,659	8,044,231	8,821,799
Long-term investments (Schedule 2) (Market \$874,549, 2002 - \$1,273,466)	508,617	365,932	-	874,549	1,273,466
Capital assets (Note 2(g) and 3)	-	35,724,858	-	35,724,858	37,341,891
Total assets	\$ 6,868,822	37,722,157	52,659	44,643,638	47,437,156
LIABILITIES AND FUND BALANCES					
Current liabilities:					
Accounts payable	\$ 981,843	141,879	-	1,123,722	1,959,338
Accrued salaries	1,819,055	-	-	1,819,055	1,393,596
Vacation payable	3,392,654	-	-	3,392,654	3,053,182
Deferred revenue (Note 6)	1,590,649	-	-	1,590,649	1,968,895
Interfund balances	(915,379)	915,379	-	-	-
Current portion of mortgages payable (Note 5)	-	434,573	-	434,573	410,156
Total current liabilities	6,868,822	1,491,831	-	8,360,653	8,785,167
Long-term debt (Note 7)	-	16,786	-	16,786	57,072
Mortgages payable (Note 5)	-	9,963,702	-	9,963,702	10,401,879
Total liabilities	6,868,822	11,472,319	-	18,341,141	19,244,118
Fund balances:					
Invested in capital assets	-	24,647,211	-	24,647,211	26,087,366
Externally restricted (Note 2(c)(iii) and Schedule 3)	-	193,797	52,659	246,456	323,957
Internally restricted (Schedule 4)	-	1,408,830	-	1,408,830	1,409,216
Unrestricted	-	-	-	-	372,499
Fund balances (Statement 2)	-	26,249,838	52,659	26,302,497	28,193,038
Total liabilities & fund balances	\$ 6,868,822	37,722,157	52,659	44,643,638	47,437,156

APPROVED ON BEHALF OF THE BOARD:

Director

Director

HEARTLAND REGIONAL HEALTH AUTHORITY

STATEMENT OF OPERATIONS AND CHANGES IN FUND BALANCES

Year ended March 31, 2003
with comparative figures for 2002

	Operating Fund			Restricted Funds (Schedule 5)	
	Budget 2003 (Note 12)	Actual 2003	Actual 2002 (Note 10)	2003	2002 (Note 10)
Revenues:					
Saskatchewan Health - General Revenue Fund	\$ 47,069,361	48,365,222	44,831,595	\$ 1,067,373	996,891
Other provincial revenue	308,540	12,980	531,531	-	-
Long-term resident and respite charges	5,967,563	6,061,181	5,929,508	-	-
Home based services - client charges	535,000	545,364	521,186	-	-
Emergency response - client charges	1,003,965	980,231	860,041	-	-
CMHC mortgage subsidy	-	-	-	357,434	361,846
Federal funding	60,613	60,613	-	-	-
Out of province charges & third party reimbursements	291,624	325,649	297,043	-	-
Donations	-	1,742	2,119	555,016	299,197
Investment income	252,500	174,802	271,994	12,871	93,399
Ancillary operations - income	111,600	97,370	141,023	-	-
Research grants	-	-	-	-	-
Other	<u>1,327,856</u>	<u>1,225,566</u>	<u>1,579,442</u>	<u>3,458</u>	<u>-</u>
	56,928,622	57,850,720	54,965,482	1,996,152	1,751,333
Expenses: (Schedule 1)					
Acute services	13,475,890	14,569,312	14,065,969	1,131,804	908,590
Specialized hospital programs	-	-	-	-	-
Supportive care services (Note 15)	26,562,465	26,788,874	25,609,426	2,393,933	2,438,930
Grants to affiliates					
Acute services	-	-	-	-	-
Supportive care services	1,114,741	1,147,253	1,082,166	-	-
Home based services	5,597,388	5,594,124	5,320,326	24,116	30,148
Health improvement initiatives	1,092,640	989,378	1,004,648	-	-
Health and wellness centres	3,619,023	3,204,189	3,077,869	383,176	358,381
Rural/Urban health initiatives	-	-	-	-	-
Other	-	-	-	-	-
Community care initiatives	274,305	247,924	161,069	-	-
Emergency response services	2,326,663	2,596,673	2,240,041	87,029	82,250
Addiction services (Note 15)	314,891	277,448	276,764	-	-
Community health services	950,695	967,043	968,418	12,751	10,588
Mental health services (Note 15)	1,108,343	1,007,721	958,898	-	-
Rehabilitation services	290,927	292,228	233,231	-	-
Ancillary operations - expenses	<u>47,500</u>	<u>19,896</u>	<u>39,573</u>	<u>2,541</u>	<u>2,650</u>
	56,775,471	57,702,063	55,038,398	4,035,350	3,831,537
Excess (deficiency) of revenues over expenses before unusual item	153,151	148,657	(72,916)	(2,039,198)	(2,080,204)
Unusual item:					
Transfer to community Foundations, communities and rural municipalities (Schedule 3)	-	-	(35,000)	-	(1,519,834)
Excess (deficiency) of revenues over expenses	153,151	148,657	(107,916)	(2,039,198)	(3,600,038)
Fund balances, beginning of year	<u>372,499</u>	<u>372,499</u>	<u>863,187</u>	<u>27,820,539</u>	<u>31,053,382</u>
	525,650	521,156	755,271	25,781,341	27,453,344
Interfund transfers (Note 14)	(404,450)	(521,156)	(367,195)	521,156	367,195
Prior period adjustment	-	-	(15,577)	-	-
Fund balances, end of year	\$ <u>121,200</u>	<u>-</u>	<u>372,499</u>	\$ <u>26,302,497</u>	<u>27,820,539</u>

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HEARTLAND REGIONAL HEALTH AUTHORITY

STATEMENT OF CASH FLOWS

Year ended March 31, 2003

with comparative figures for 2002

	Operating Fund		Restricted Funds		
	2003	2002 (Note 10)	Capital Fund	Community Trust Fund (Schedule 3)	Total 2003
Cash provided by (used in):					Total 2002 (Note 10)
Excess (deficiency) of revenues over expenditures	\$ 148,657	(107,916)	\$ (2,040,892)	1,694	(2,039,198)
Items not involving an outlay of cash:					
Amortization	-	-	3,403,840	-	3,403,840
Gain on disposal of capital assets	-	-	(3,458)	-	(3,458)
Prior period adjustment	-	(15,577)	-	-	-
Interfund balances	(78,655)	(985,287)	217,437	(138,782)	78,655
Net change in non-cash working capital (Note 18)	(674,700)	393,403	145,946	150	146,096
	(604,698)	(715,377)	1,722,873	(136,938)	1,585,935
Additions to capital assets	-	-	(1,795,107)	-	(1,795,107)
Construction - addition - other fees	-	-	-	-	(226,041)
Proceeds on disposal of capital assets	-	-	11,759	-	11,759
	-	-	(1,783,348)	-	(1,783,348)
Repayment of long-term debt	-	-	(40,286)	-	(40,286)
Repayment of mortgages payable	-	-	(413,761)	-	(413,761)
	-	-	(454,047)	-	(429,690)
Net increase (decrease) in cash and investments during the year	(604,698)	(715,377)	(514,522)	(136,938)	(1,756,781)
Cash and investments, beginning of year	5,453,796	6,536,368	1,486,107	271,169	1,757,276
Interfund transfers (Note 14)	(521,156)	(367,195)	602,730	(81,574)	521,156
Cash and investments, end of year	\$ 4,327,942	\$ 5,453,796	\$ 1,574,315	52,657	\$ 1,757,276
Cash and investments consists of:					
Cash and short-term investments	\$ 3,819,325	4,180,330	\$ 1,208,383	52,657	1,261,040
Investments	508,617	1,273,466	365,932	-	365,932
Cash and investments, end of year	\$ 4,327,942	\$ 5,453,796	\$ 1,574,315	52,657	\$ 1,757,276

See accompanying notes to the financial statements.

HEARTLAND REGIONAL HEALTH AUTHORITY

NOTES TO THE FINANCIAL STATEMENTS

March 31, 2003

1. AUTHORITY

On August 1, 2002, the Legislative Assembly passed The Regional Health Services Act ("the Act"). This Act created the Heartland Regional Health Authority (RHA). The Authority is responsible for the planning, organization, delivery, and evaluation of health services within the geographic area known as the Heartland Health Region.

On coming into force, the Act terminated the membership of the individual District Health Boards. All assets, liabilities, rights, and obligations of the District Health Boards continue as the assets, liabilities, rights, and obligations of the Regional Health Authority. All contracts with the District Health Boards remain in effect until repealed or replaced by the Regional Health Authorities.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

These financial statements have been prepared in accordance with Canadian generally accepted accounting principles and include the following significant accounting policies.

(a) **Amalgamation for former District Health Boards**

The three former District Health Boards, the Midwest District Health Board, the Prairie West District Health Board, and the Greenhead District Health Board, have been amalgamated in these financial statements using the continuity-of-interests method. All assets, liabilities, revenues and expenses have been combined in both the 2002 and 2003 fiscal years.

(b) **Affiliated Organizations**

The RHA has also entered into an affiliation agreement with St. Joseph's Hospital of Macklin, a privately owned health corporation, to provide health services. Pursuant to the affiliation agreements, the RHA maintains control over the affiliate's operations. These financial statements do not include the financial activities of the affiliate. Alternatively, note 17 describes the financial position and results of operations of the affiliate.

HEARTLAND REGIONAL HEALTH AUTHORITY

NOTES TO THE FINANCIAL STATEMENTS

March 31, 2003

(c) Fund Accounting

The accounts of the RHA are maintained in accordance with the restricted fund method of accounting for contributions. For financial reporting purposes, accounts with similar characteristics have been combined in to the following major funds:

(i) Operating Fund

The operating fund reflects the primary operations of the RHA including revenues received for provision of health services from Saskatchewan Health - General Revenue Fund, and billings to patients, clients, the federal government and other agencies for patient and client services. Other revenue consists of donations, recoveries, and ancillary revenue. Expenses are for the delivery of health services.

(ii) Capital Fund

The capital fund is a restricted fund that reflects the equity of the RHA in capital assets after taking into consideration any associated long-term debt. The capital fund includes revenues received from Saskatchewan Health - General Revenue Fund designated for construction of capital projects and/or the acquisition of capital assets. The capital fund also includes donations designated for capital purposes by the contributor. Expenses consist primarily of amortization and interest on mortgages.

(iii) Community Trust Fund

The community trust fund is a restricted fund that reflects community generated assets transferred to the RHA in accordance with the pre-amalgamation agreements signed with the amalgamating health corporations. The assets include cash and investments initially accumulated by the health corporations in the RHA from donations or municipal tax levies. These assets are accounted for separately and use of the assets is subject to restrictions set out in pre-amalgamation agreements between the RHA and the health corporations.

(d) Revenue

Unrestricted contributions are recognized as revenue in the Operating Fund in the year received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Restricted contributions related to general operations are recognized as revenue of the Operating Fund in the year in which the related expenses are incurred. All other restricted contributions are recognized as revenue of the appropriate restricted fund.

(e) Inventory

Inventory consists of general stores, pharmacy, laboratory, linen and other. All inventories are valued at cost as determined on the first in, first out basis.

(f) Investments

Investments are valued at the lower of cost or net realizable value.

HEARTLAND REGIONAL HEALTH AUTHORITY

NOTES TO THE FINANCIAL STATEMENTS

March 31, 2003

(g) Capital Assets

Capital assets are recorded at cost. Normal maintenance and repairs are expensed as incurred. Capital assets, with a life exceeding one year, are amortized on a straight line basis over their estimated useful lives as follows:

Buildings	3 1/3 to 20%
Land and leasehold improvements	4 to 25%
Equipment	5 to 33%

No amortization is taken in the year of acquisition for capital assets of the former Prairie West District Health Board. Donated capital assets are recorded at their fair value at the date of contribution (if fair value can be reasonably determined).

(h) Pension

Employees of the RHA participate in several multi-employer defined benefit pension plans or a defined contribution plan. The RHA follows defined contribution plan accounting for its participation in the plans. Accordingly the RHA expenses all contributions it is required to make in the year.

(i) Measurement Uncertainty

These financial statements have been prepared by management in accordance with Canadian generally accepted accounting principles. In the preparation of financial statements, management makes various estimates and assumptions in determining the reported amounts of assets and liabilities, revenues and expenses and in the disclosure of commitments and contingencies. Changes in estimates and assumptions will occur based on the passage of time and the occurrence of certain future events. The changes will be reported in the period in which they become known.

3. CAPITAL ASSETS

		<u>March 31,</u> <u>2003</u>		<u>March 31,</u> <u>2002</u>
	<u>Cost</u>	<u>Accumulated</u> <u>Amortization</u>	<u>Net</u> <u>Book Value</u>	<u>Net</u> <u>Book Value</u>
Land	\$ 331,502	-	331,502	331,502
Land improvements	659,854	534,014	125,840	113,122
Buildings	53,930,266	22,853,146	31,077,120	32,298,833
Equipment	18,063,945	13,969,888	4,094,057	4,342,274
Construction in progress	<u>96,339</u>	<u>-</u>	<u>96,339</u>	<u>256,160</u>
	<u>\$ 73,081,906</u>	<u>37,357,048</u>	<u>35,724,858</u>	<u>37,341,891</u>

HEARTLAND REGIONAL HEALTH AUTHORITY

NOTES TO THE FINANCIAL STATEMENTS

March 31, 2003

4. COMMITMENTS

a) Capital Asset Acquisitions

At March 31, 2003, commitments for acquisition of capital assets were \$nil (2002 - \$40,343).

b) Operating Leases

The Authority has operating lease commitments for property and equipment. Minimum annual rentals over the next five years are as follows:

2004	\$	31,050
2005		28,388
2006		20,400
2007		17,046
2008		2,406

5. MORTGAGES PAYABLE

<u>Title of Issue</u>	<u>Interest Rate</u>	<u>Annual Repayment Terms</u>	<u>2003</u>	<u>2002</u>
Heritage Manor - CMHC mortgage, due May 1, 2021; secured by assignment of rent	5.770%	\$304,836 principal & interest of which \$113,774 is subsidized by CMHC yielding and effective interest rate of 0.43%	\$ 3,443,723	3,548,887
Jubilee Lodge - CMHC mortgage, due June 1, 2022; secured by assignment of rent	6.450%	\$90,984 principal & interest of which \$37,646 is subsidized by CMHC yielding and effective interest rate of 0.56%	1,007,678	1,033,602
Eston Health Center - Royal Bank of Canada mortgage, due March 31, 2007	6.120%	\$52,200 principal & interest	216,524	254,240
Buena Vista Lodge - CMHC mortgage, due April 1, 2025	8.000%	\$20,808 principal & interest	217,715	221,243
Jubilee Lodge - CMHC mortgage, due May 1, 2017	5.750%	\$4,500 principal & interest	43,817	45,776
Unimac Pioneers Lodge - CMHC mortgage, due April 1, 2019	6.875%	\$9,828 principal & interest	96,072	99,266
Diamond Lodge Company Ltd. - CMHC mortgage, due April 1, 2019	6.450%	\$89,952 principal & interest of which \$36,125 is subsidized by CMHC yielding and effective interest rate of 3.02%	904,042	935,348
Diamond Lodge Company Ltd. - CMHC mortgage, due January 1, 2017	5.375%	\$10,680 principal & interest	104,389	109,370
Diamond Lodge Company Ltd. - CMHC mortgage, due August 1, 2025	8.000%	\$11,748 principal & interest	123,513	125,452

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HEARTLAND REGIONAL HEALTH AUTHORITY

NOTES TO THE FINANCIAL STATEMENTS

March 31, 2003

Wilkie and District Centennial Nursing Home Company Ltd. - CMHC mortgage, due February 1, 2008	5.620%	\$122,220 principal & interest of which \$30,720 is subsidized by CMHC yielding and effective interest rate of 2.29%	523,289	613,680
Rosetown Health Centre - CMHC mortgage, due October 1, 2017	5.875%	\$11,184 principal & interest	108,546	113,277
Outlook Pioneer Home - CMHC mortgage, due August 1, 2006	5.900%	\$63,468 principal & interest of which \$23,628 is subsidized by CMHC yielding and effective interest rate of 3.00%	707,601	729,130
Outlook Pioneer Home - CMHC mortgage, due January 1, 2017	5.375%	\$14,688 principal & interest	143,647	150,499
Dinsmore Health Centre - CMHC mortgage, due August 1, 2006	5.900%	\$46,332 principal & interest of which \$17,724 is subsidized by CMHC yielding and effective interest rate of 2.60%	532,316	547,145
Lucky Lake Health Centre - CMHC mortgage, due February 1, 2006	6.220%	\$48,084 principal & interest of which \$19,356 is subsidized by CMHC yielding and effective interest rate of 2.70%	531,511	546,445
Davidson Health Centre - CMHC mortgage, due December 1, 2003	5.432%	\$47,976 principal & interest of which \$16,656 is subsidized by CMHC yielding and effective interest rate of 3.00%	548,156	566,159
Davidson Health Centre - CMHC mortgage, due December 1, 2016	5.375%	\$13,092 principal & interest	127,560	133,698
Elrose Health Centre - CMHC mortgage, due February 1, 2006	6.220%	\$83,880 principal & interest of which \$61,800 is subsidized by CMHC yielding and effective interest rate of 0.20%	1,018,176	1,038,818
			<u>10,398,275</u>	<u>10,812,035</u>
Less current portion			<u>434,573</u>	<u>410,156</u>
			<u>\$ 9,963,702</u>	<u>10,401,879</u>

For each of the mortgages, the RHA has pledged the related buildings of the special care homes as security. Principal payments required in each of the next five (5) years are estimated as follows:

2004	\$ 434,573
2005	465,222
2006	494,999
2007	527,358
2008	537,216
Thereafter	7,938,907

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HEARTLAND REGIONAL HEALTH AUTHORITY

NOTES TO THE FINANCIAL STATEMENTS

March 31, 2003

6. DEFERRED REVENUE

	Balance, beginning of year	Add amount received from Health	Less amount recognized from Health	Add amount received from other sources	Less amount recognized from other sources	Balance, end of year
Health Improvement Initiatives	\$ 917,392	867,834	1,072,838	-	-	712,388
Primary Health Services	12,495	-	12,495	-	-	-
Zero-Lift Program	3,015	-	1,835	-	-	1,180
Workplace Wellness	102,005	43,923	75,168	-	-	70,760
Behavioral management initiatives	242,112	50,000	57,164	-	-	234,948
Communication systems	74,254	-	-	-	-	74,254
Parent support program	160,704	32,000	160,704	-	-	32,000
Tri-district parent support	79,166	32,000	79,166	-	-	32,000
Adult behavioral management	15,660	-	643	-	-	15,017
Lucky Lake ACN Clinic	4,563	-	4,316	-	-	247
Mental health-approved homes	10,576	5,000	4,810	-	-	10,766
Mental health manager	60,000	60,000	60,000	-	-	60,000
Rural emergency medical services	50,000	-	50,000	-	-	-
PHS-MARS program	29,666	42,000	20,141	-	-	51,525
EMS contracted services	17,891	67,488	85,379	-	-	-
Infant mortality risk reduction	30,000	23,500	7,085	-	-	46,415
Diabetes control program	37,945	47,500	8,748	-	-	76,697
Regional planning authority	90,000	-	90,000	-	-	-
Kyle Clinic renovation	17,761	-	17,761	-	-	-
Primary health care transition	-	116,900	11,170	-	-	105,730
Professional development	-	54,238	-	-	-	54,238
Occupational health & safety	13,690	-	-	-	11,206	2,484
Primary health information service	-	-	-	10,000	-	10,000
Total	\$ 1,968,895	1,442,383	1,819,423	10,000	11,206	1,590,649

Restricted funding related to general operations from Saskatchewan Health - General Revenue Fund is recorded as the related costs are incurred.

7. LONG-TERM DEBT

Royal Bank of Canada loan for E450 2000 Ford Ambulance,
repayable in monthly payments of \$3,688 including interest at
6.12%; secured by ambulance

	2003	2002
	\$ 16,786	57,072

8. PATIENT AND RESIDENT TRUST ACCOUNTS

The RHA administers funds held in trust for patients and residents using the RHA's facilities. The funds are held in separate accounts for the patients or residents at each facility. The total cash held in trust as at March 31, 2003 was \$11,241 (2002 - \$13,630). These amounts are not reflected in the financial statements.

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HEARTLAND REGIONAL HEALTH AUTHORITY

NOTES TO THE FINANCIAL STATEMENTS

March 31, 2003

9. RELATED PARTY TRANSACTIONS

These financial statements include transactions with related parties. The RHA is related to all Saskatchewan Crown Agencies such as departments, corporations, boards and commissions under the common control of the Government of Saskatchewan. The RHA is also related to non-Crown enterprises that the Government jointly controls or significantly influences. In addition, the RHA is related to other non-Government organizations by virtue of its economic interest in these organizations.

Transactions with these related parties are in the normal course of operations. Amounts due to or from and the recorded amounts of the transactions resulting from these transaction are included in the financial statements and significant amounts are included in the table below. They are recorded at the standard rates charged by those organizations and are settled on normal trade terms.

	<u>2003</u>	<u>2002</u>
Accounts receivable		
Department of Health	\$ 1,190,048	\$ 791,310
Accounts payable		
Saskatchewan Healthcare Employees' Pension Plan	175,837	159,902
Revenues		
Department of Health	49,635,076	46,372,173
Workers' Compensation Board	37,573	110,883
Expenses		
Bridgepoint Centre for Eating Disorders Inc.	350,000	364,583
Other Regional Health Authorities	288,348	356,292
Public Employees Dental Fund	222,492	202,789
Public Employees Disability Income Fund	172,815	152,318
SAHO Enhanced Medical/Extended Dental Plan	818,086	642,376
Saskatchewan Association of Health Organizations	608,663	953,575
Saskatchewan Healthcare Employees' Pension Plan	2,232,695	2,033,348
Saskatchewan Power Corporation	803,841	767,215
Saskatchewan Property Management Corporation	475,359	481,423
Saskatchewan Telecommunications	386,426	452,389
SaskEnergy Incorporated	492,921	470,886
SGI Canada Insurance Services Ltd.	131,506	119,215
St. Joseph's Hospital of Macklin	1,178,917	1,025,664
Workers' Compensation Board	701,359	844,714

In addition, the RHA pays Provincial Sales Tax to the Saskatchewan Department of Finance on all its taxable purchases. Taxes paid are recorded as part of the cost of those purchases.

10. COMPARATIVE FIGURES

The prior year's comparative figures have been reclassified to conform to the current year's method of presentation. Excess (deficiency) of revenues was not affected by the change in method of presentation.

HEARTLAND REGIONAL HEALTH AUTHORITY

NOTES TO THE FINANCIAL STATEMENTS

March 31, 2003

11. PENSION

Employees of the RHA participate in one of the following pension plans. Some employees participate in the Saskatchewan Healthcare Employees' Pension Plan (SHEPP), which is jointly governed by a board of eight trustees. Four of the trustees are appointed by the Saskatchewan Association of Health Organizations (SAHO) (a related party) and four of the trustees are appointed by Saskatchewan's health care unions (CUPE, SUN, SEIU, SGEU, RWDSU and HSAS). SHEPP, is a multi-employer defined benefit plan which came into effect December 31, 2002. (Prior to December 31, 2002 this plan was formerly the SAHO Retirement Plan and governed by the SAHO Board of Directors). Other employees participate in either the Public Service Superannuation Plan (a related party) which is also a defined benefit plan, or the Public Employees' Pension Plan (a related party) which is a defined contribution plan, both of these plans are the responsibility of the Province of Saskatchewan. The RHAs financial obligation to the plans is limited to making required payments to match amounts contributed by employees for current services.

Pension expense for the year amounted to \$1,538,224 (2002 - \$1,397,515) and is included in benefits.

12. BUDGET

The operating budget, which is included in the RHA's Health Plan, was approved by the RHA and the Minister of Health.

HEARTLAND REGIONAL HEALTH AUTHORITY

NOTES TO THE FINANCIAL STATEMENTS

March 31, 2003

13. FINANCIAL INSTRUMENTS

a) Significant terms and conditions

There are no significant terms and conditions related to financial instruments classified as current assets or current liabilities that may affect the amount, timing, or certainty of future cash flows. Significant terms and conditions for the other financial instruments are disclosed separately in these financial statements.

b) Credit risk

The RHA is exposed to credit risk from the potential non-payment of accounts receivable. The majority of the RHAs receivables are from Saskatchewan Health - General Revenue Fund, Saskatchewan Workers' Compensation Board, health insurance companies or other Provinces. Therefore, the credit risk is minimal.

c) Fair Value

The following methods and assumptions were used to estimate the fair value of each class of financial instrument:

- The carrying amounts of these financial instruments approximate fair value due to their immediate or short-term nature:
 - Cash and short-term investments
 - Accounts receivable
 - Accounts payable
 - Accrued salaries & vacation payable
- For investments, the fair value is considered to approximate quoted market values.
- The fair value of mortgages payable before repayment required within one year, is \$10,398,275 (2002 - \$10,812,035) and is determined using discounted cash flow analysis based on current incremental borrowing rates for similar borrowing arrangements.

d) Operating Line-of-credit

The RHA has a line-of-credit limit of \$500,000 (2002 - \$500,000) with an interest charged at prime plus .5% which is re-negotiated annually. The line-of-credit is secured by certain assets of the RHA. Total interest paid on the line-of-credit in 2003 was \$17,739 (2002 - \$7,568). This line-of-credit was approved by the Minister on March 27, 2002.

HEARTLAND REGIONAL HEALTH AUTHORITY

NOTES TO THE FINANCIAL STATEMENTS

March 31, 2003

14. INTERFUND TRANSFERS

Each year the RHA transfers amounts between its funds for various purposes. These include funding capital asset purchases, and reassigning fund balances to support certain activities.

	<u>To (from) Fund</u>				
	<u>Operating</u>	<u>Capital</u>	<u>Community Trust</u>	<u>Total 2003</u>	<u>Total 2002</u>
Building renovations	(334,783)	334,783	-	-	-
Capital asset purchases	(70,718)	152,292	(81,574)	-	-
Repairs and maintenance	3,069	(3,069)	-	-	-
Mortgage costs	(45,905)	45,905	-	-	-
CMHC Reserves	(72,819)	72,819	-	-	-
	<u>\$ (521,156)</u>	<u>602,730</u>	<u>(81,574)</u>	<u>-</u>	<u>-</u>

15. AFFILIATES/HEALTH CARE ORGANIZATIONS

The RHA has also entered into affiliation agreements with healthcare organizations to provide services.

These organizations receive operating funding from the RHA on a monthly basis in accordance with budget amounts approved annually. During the year, the RHA provided the following amounts to health care organizations:

	<u>2003</u>	<u>2002</u>
Kindersley & District Alcohol & Drug Abuse Society Inc.	\$ 139,582	135,032
Canadian Mental Health Association (Saskatchewan Division) Inc.	22,375	19,055
Pioneers Haven Inc.	<u>10,123</u>	<u>10,123</u>
	<u>\$ 172,080</u>	<u>164,210</u>

Funding for Pioneers Haven relates to an outstanding CMHC mortgage currently funded by the RHA.

16. BRIDGEPOINT CENTRE FOR EATING DISORDERS INC.

During 1998, Saskatchewan Health established funding to support an eating disorder centre in Mildred, Saskatchewan. Saskatchewan Health has provided \$350,000 per year to support this non-government entity. The Authority's responsibility for BridgePoint is limited to transferring funding received from Saskatchewan Health to the BridgePoint Centre for Eating Disorders Inc.

HEARTLAND REGIONAL HEALTH AUTHORITY

NOTES TO THE FINANCIAL STATEMENTS

March 31, 2003

17. CONTROLLED AFFILIATES/HEALTH CARE ORGANIZATIONS

The RHA controls St. Joseph's Hospital of Macklin by virtue of the RHA's affiliation agreement with the organization.

	<u>2003</u>	<u>2002</u>
Balance Sheet:	(unaudited)	
Total assets	\$ <u>2,898,015</u>	<u>3,718,844</u>
Total liabilities	336,934	397,567
Total net assets	<u>2,561,081</u>	<u>3,321,277</u>
	\$ <u>2,898,015</u>	<u>3,718,844</u>
Results of Operations:		
Total revenue	\$ 1,534,487	1,619,207
Total expenses	<u>1,559,130</u>	<u>1,521,905</u>
Excess (deficiency) of revenues over expenses	\$ <u>(24,643)</u>	<u>97,302</u>
Cash Flows:		
Cash from operations	\$ 117,323	134,440
Cash used in financing activities	(65,591)	(210,684)
Cash used in investing activities	<u>(9,668)</u>	<u>(23,442)</u>
	\$ <u>42,064</u>	<u>(99,686)</u>

18. NET CHANGE IN NON-CASH WORKING CAPITAL

	<u>2003</u>	<u>2002</u>
Accounts receivable	\$ (268,087)	(362,578)
Inventory	35,065	(3,861)
Prepaid expenses	153,349	848
Accounts payable	(835,616)	(213,646)
Accrued salaries/vacation payable	764,931	636,430
Deferred revenue	<u>(378,246)</u>	<u>(68,096)</u>
	\$ <u>(528,604)</u>	<u>(10,903)</u>
Operating fund	\$ (674,700)	393,403
Capital fund	145,946	(407,178)
Community trust fund	<u>150</u>	<u>2,872</u>
	\$ <u>(528,604)</u>	<u>(10,903)</u>

HEARTLAND REGIONAL HEALTH AUTHORITY

SCHEDULE OF EXPENDITURES

Year ended March 31, 2003
with comparative figures for 2002

	<u>2003</u>	<u>2002</u> (Note 10)
Operating:		
Ambulance service grants	\$ 108,888	147,192
Ancillary	9,171	11,898
Benefits	6,320,182	5,791,496
Professional fees	361,326	414,742
Diagnostic imaging supplies	136,853	112,463
Drugs	440,758	464,246
Food	1,299,861	1,359,350
Grants to third parties	1,669,332	1,645,754
Housekeeping and laundry supplies	250,416	294,205
Information technology contracts & licenses	149,228	24,929
Insurance	158,913	149,691
Interest expense	19,227	8,274
Laboratory supplies	470,588	407,242
Medical and surgical supplies	1,242,183	1,202,141
Medical remuneration and benefits	362,956	495,748
Office supplies and other office costs	773,386	882,281
Other	1,164,214	1,214,615
Prosthetics	-	-
Purchased services	634,655	631,322
Rent/Lease	277,231	240,699
Repairs and maintenance	783,639	803,940
Salaries	38,435,609	36,195,985
Telephone	408,304	184,719
Travel expense	809,502	879,864
Utilities	<u>1,415,641</u>	<u>1,510,602</u>
Total operating	<u>57,702,063</u>	<u>55,073,398</u>
Restricted:		
Depreciation	3,403,840	3,160,055
Loss (gain) on disposal of capital assets	(3,458)	3,833
Other	<u>634,968</u>	<u>856,187</u>
Total restricted	<u>4,035,350</u>	<u>4,020,075</u>
Total expenditures	<u>\$ 61,737,413</u>	<u>59,093,473</u>

HEARTLAND REGIONAL HEALTH AUTHORITY

SCHEDULE OF INVESTMENTS

As at March 31, 2003

	Amount	Maturity	Effective Rate	Coupon Rate
Restricted investments				
Cash and short-term investments				
Chequing and savings:				
Rosetown Royal Bank of Canada	\$ 39,518			
Kindersley Royal Bank of Canada	1,469			
Battlefords Credit Union Limited	18,458			
Biggar Credit Union Limited	13,631			
Biggar Royal Bank of Canada	296,660			
Macklin Credit Union Limited	1,313			
Unity CIBC	180,473			
Wilkie Royal Bank of Canada	13,348			
Unity Credit Union Limited	14,585			
Total chequing and savings	\$ 579,455			
Short-term investments:				
Government of Canada Coupon Bond	\$ 181,585	01-Dec-03	4.919%	
Saskatoon HSBC GIC	500,000	20-May-03	2.880%	
Total short-term investments	\$ 681,585			
Total cash and short-term investments - restricted	\$ 1,261,040			
Long-term:				
Saskatchewan Savings Bonds	\$ 80,117	15-Jul-04	5.000%	5.000%
Saskatchewan Savings Bonds	285,815	15-Jul-05	5.750%	5.750%
Total long-term investments - restricted	\$ 365,932			
Total cash and investments - restricted	\$ 1,626,972			
Unrestricted investments				
Cash and short-term investments				
Chequing and savings:				
Petty cash	\$ 6,623			
Eaton CIBC	37,943			
Kerrobert Royal Bank of Canada	668,047			
Kindersley Royal Bank of Canada	107,542			
Eatonia Prairie Centre Credit Union	275			
RBC Dominion Securities	93			
Lucky Lake CIBC	388			
Rosetown Royal Bank of Canada	1,145,322			
Davidson Bank of Montreal	1,963			
Dinsmore Credit Union Limited	3,309			
Kyle Prairie Centre Credit Union	3,091			
Beechy Prairie Centre Credit Union	41,004			
Biggar Royal Bank of Canada	(236,328)			
Unity Credit Union Limited	22,483			
Total chequing and savings - unrestricted	1,801,755			
Short-term investments:				
Saskatoon HSBC GIC	1,000,000	7-Apr-03	3.020%	
Saskatoon HSBC GIC	1,000,000	16-Jun-03	3.200%	
Co-op equity accounts	17,571			
Total short-term investments	2,017,571			
Total cash and short-term investments - unrestricted	\$ 3,819,326			

See accompanying notes to the financial statements.

HEARTLAND REGIONAL HEALTH AUTHORITY

SCHEDULE OF INVESTMENTS

As at March 31, 2003

(continued)

Long-term:

Co-op equities	\$	4,812		
Matcan GIC		41,343	23-Jan-06	4.400%
National Bank of Canada GIC		41,343	23-Jan-06	4.400%
TD Mortgage Corp. GIC		41,320	23-Jan-06	4.350%
B2B Trust GIC		41,567	21-Jan-07	4.875%
Laurentian Bank GIC		41,555	21-Jan-07	4.850%
Bank of Montreal GIC		41,555	22-Jan-07	4.850%
BC Hydro Coupon		242,618	15-Jan-11	5.430%
Equity in co-operatives		12,504		
Total long-term investments - unrestricted	\$	<u>508,617</u>		
Total cash and investments - unrestricted	\$	<u>4,327,943</u>		

Restricted investments consist of: community generated funds transferred to the RHA and held in the Community Trust Fund (Schedule 3); replacement reserves maintained under mortgage agreements with Canada Mortgage and Housing Corporation (CMHC) and internally restricted reserves for future capital expenditures which are held in the Capital Fund (Schedule 4).

HEARTLAND REGIONAL HEALTH AUTHORITY

SCHEDULE OF EXTERNALLY RESTRICTED FUNDS

Year ended March 31, 2003

	<u>Balance, beginning of year</u>	<u>Investment & Other Revenue</u>	<u>Donations</u>	<u>Expenses</u>	<u>Withdrawals</u>	<u>Balance, end of year</u>
Community Trust Fund:						
Kyle & District Health Centre	\$ 32,954	576	-	-	33,530	-
Lucky Lake & District Health Centre	5,390	30	-	-	5,420	-
Davidson & District Health Centre	610	16	-	-	-	626
Diamond Lodge	14,098	134	-	-	14,232	-
Biggar & District Home Care	19,629	368	-	-	19,997	-
Greenhead District Home Care	58,534	557	-	-	7,058	52,033
Macklin & District Home Care	<u>1,324</u>	<u>13</u>	<u>-</u>	<u>-</u>	<u>1,337</u>	<u>-</u>
Total	\$ <u>132,539</u>	<u>1,694</u>	<u>-</u>	<u>-</u>	<u>81,574</u>	<u>52,659</u>

	<u>Balance, beginning of year</u>	<u>Investment & Other Revenue</u>	<u>Donations</u>	<u>Expenses</u>	<u>Withdrawals</u>	<u>Balance, end of year</u>
Capital fund:						
Former Midwest District Health Board	\$ 95,060	-	59,566	-	-	154,626
Former Prairie West District Health Board	31,358	-	219,106	-	211,293	39,171
Former Greenhead District Health Board	<u>65,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>65,000</u>	<u>-</u>
Total	\$ <u>191,418</u>	<u>-</u>	<u>278,672</u>	<u>-</u>	<u>276,293</u>	<u>193,797</u>

See accompanying notes to the financial statements.

HEARTLAND REGIONAL HEALTH AUTHORITY

SCHEDULE OF INTERNALLY RESTRICTED FUND BALANCES

Year ended March 31, 2003

		<u>Transfer from unrestricted fund balance</u>		<u>Transfer to Investment in capital assets fund balance</u>	
	<u>Balance, beginning of year</u>	<u>Investment income Allocated</u>	<u>Annual Allocation</u>		<u>Balance, end of year</u>
CMHC reserves:					
Buena Vista Lodge	\$ -	\$ -	\$ 4,400	\$ (1,399)	\$ 3,001
Diamond Lodge	102,938	903	10,173	-	114,014
Elrose Health Centre	74,000	-	-	-	74,000
Heritage Manor	-	-	22,488	-	22,488
Jubilee Lodge Inc.	-	-	5,637	-	5,637
Outlook Pioneer Home	109,041	-	10,904	(65,002)	54,943
Prairie View Lodge	74,915	-	9,390	-	84,305
Rosetown Wheatbelt Centennial Lodge	200,000	-	20,000	(22,220)	197,780
Unimac Pioneers Lodge/Unity Health Centre	10,354	-	12,425	-	22,779
Wilkie Centennial Nursing Home/Wilkie Health Centre	6,583	-	7,900	-	14,483
Diamond lodge - Handi-bus	905	9	-	-	914
Former Greenhead Health District - Continuing education	-	9,334	-	-	9,334
Former Prairie West Health District - Other Capital Purposes	505,606	7,160	-	(32,525)	480,241
Furnishings:					
Biggar & District Home Care	3,918	37	-	-	3,955
Diamond Lodge	14,350	137	-	-	14,487
Greenhead District Home Care	34,208	326	-	-	34,534
Maintenance:					
Diamond Lodge	2,378	33	-	-	2,411
Unimac Pioneers Lodge/Unity Health Centre	189,750	1,809	-	(3,069)	188,490
Wilkie Centennial Nursing Home/Wilkie Health Centre	4,720	45	-	-	4,765
Service:					
Biggar & District Home Care	48,653	463	-	-	49,116
Greenhead District Home Care	26,897	256	-	-	27,153
Total	\$ 1,409,216	20,512	103,317	(124,215)	1,408,830

The RHA is required to maintain certain replacement reserves as a condition of receiving a subsidized mortgage or a mortgage interest subsidy from the Canada Mortgage and Saskatchewan Housing Corporation. In addition, the Authority maintains reserves restricted for other capital purposes.

The above schedule shows the changes in these reserve balances during the year.

HEARTLAND REGIONAL HEALTH AUTHORITY

SCHEDULE OF RESTRICTED FUND BALANCES

Year ended March 31, 2003
with comparative figures for 2002

	Capital Fund	Community Trust Fund (Schedule 3)	Total 2003	Total 2002 (Note 10)
Revenues:				
Saskatchewan Health - General Revenue Fund	\$ 1,067,373	-	1,067,373	996,891
Other provincial revenue	-	-	-	-
Long-term resident and respite charges	-	-	-	-
Home based services - client charges	-	-	-	-
Emergency response - client charges	-	-	-	-
CMHC mortgage subsidy	357,434	-	357,434	361,846
Federal funding	-	-	-	-
Out of province charges & third party reimbursements	-	-	-	-
Donations	555,016	-	555,016	299,197
Investment income	11,177	1,694	12,871	93,399
Ancillary operations - income	-	-	-	-
Research grants	-	-	-	-
Other	<u>3,458</u>	<u>-</u>	<u>3,458</u>	<u>-</u>
	1,994,458	1,694	1,996,152	1,751,333
Expenses: (Schedule 1)				
Acute Services	1,131,804	-	1,131,804	908,590
Specialized hospital programs	-	-	-	-
Supportive care services	2,393,933	-	2,393,933	2,438,930
Grants to affiliates:				
Acute services	-	-	-	-
Supportive care services	-	-	-	-
Home based services	24,116	-	24,116	30,148
Health improvement initiatives	-	-	-	-
Health and wellness centres	383,176	-	383,176	358,381
Rural/Urban health initiatives	-	-	-	-
Other	-	-	-	-
Community care initiatives	-	-	-	-
Emergency response services	87,029	-	87,029	82,250
Addiction services	-	-	-	-
Community health services	12,751	-	12,751	10,588
Mental health services	-	-	-	-
Rehabilitation services	-	-	-	-
Ancillary operations - expenses	2,541	-	2,541	2,650
Transfer to community (Schedule 3)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	4,035,350	-	4,035,350	3,831,537
Excess (deficiency) of revenues over expenses before unusual item	(2,040,892)	1,694	(2,039,198)	(2,080,204)
Unusual item:				
Transfer to community Foundations and communities (Schedule 3)	<u>-</u>	<u>-</u>	<u>-</u>	<u>(1,519,834)</u>
	(2,040,892)	1,694	(2,039,198)	(3,600,038)
Excess (deficiency) of revenues over expenses				
Fund balances, beginning of year	<u>27,688,000</u>	<u>132,539</u>	<u>27,820,539</u>	<u>31,053,382</u>
	25,647,108	134,233	25,781,341	27,453,344
Interfund transfers (Note 14)	<u>602,730</u>	<u>(81,574)</u>	<u>521,156</u>	<u>367,195</u>
Fund balances, end of year	\$ <u>26,249,838</u>	<u>52,659</u>	<u>26,302,497</u>	<u>27,820,539</u>

See accompanying notes to the financial statements.



Heartland Health Region

Directory of Services

EMERGENCY SERVICES - Call 9-1-1

HEALTH FACILITIES

Beechy Health Centre 859-2118
Box 68, Beechy, S0L 0C0

Biggar Hospital 948-3323
Box 130, Biggar, S0K 0M0

Davidson Health Centre 567-2801
Box 758, Davidson, S0G 1A0

Diamond Lodge 948-3385
Box 340, Biggar, S0K 0M0

Dinsmore Health Centre 846-2222
Box 219, Dinsmore, S0L 0T0

Elrose Health Centre 378-2882
Box 100, Elrose, S0L 0Z0

Eatonia Health Care Centre 967-2591
Box 400, Eatonia, S0L 0Y0

Eston Health Centre/Jubilee Lodge 962-3667
Box 667, Eston, S0L 1A0

Kerrobert Hospital/Buena Vista Lodge 834-2646
Box 320, Kerrobert, S0L 1R0

Kindersley Hospital/Heritage Manor 463-2611
1003-1st Street West, Kindersley, S0L 1S2

Kyle Health Centre 375-2251
Box 70, Kyle, S0L 1T0

Lucky Lake Health Centre 858-2116
Box 250, Lucky Lake, S0L 1Z0

Outlook & District Pioneer Home 867-8835
Box 369, Outlook, S0L 2N0

Outlook Union Hospital 867-8676
Box 309, Outlook, S0L 2N0

Rosetown & District Health Centre 882-2672
Box 850, Rosetown, S0L 2V0

St. Joseph's Health Centre 753-2115
Box 190, Macklin, S0L 2C0

Unity & District Health Centre 228-2666
Box 741, Unity, S0K 4L0

Wheatbelt Centennial Lodge 882-5210
Box 250, Rosetown, S0L 2V0

Wilkie Health Centre/Poplar Courts 843-2644
Box 459, Wilkie, S0K 4W0



Heartland Health Region

Directory of Services

COMMUNITY HEALTH SERVICES

Biggar Community Services	948-6700
Davidson Community Services	567-2801 or 567-3163
Kerrobert Community Services	834-5450
Kindersley Community Services	463-8284
Outlook Community Services	867-2240
Rosetown Community Services	882-6413
Unity Community Services	228-2666

HOME CARE

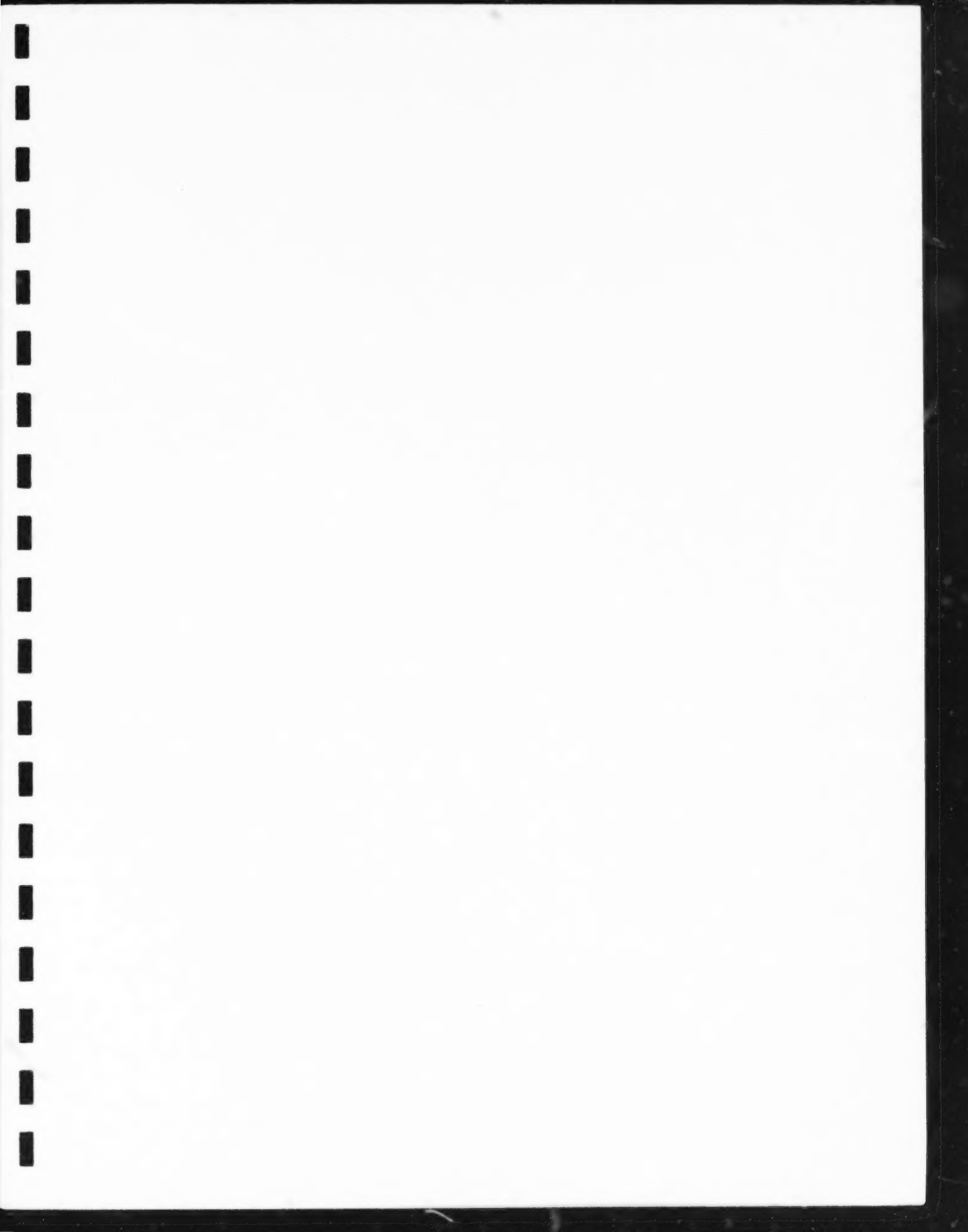
Biggar & Area Home Care	948-3379
Davidson Home Care	567-2302
Eston/Eatonina & Area Home Care	463-4944
Kindersley & Area Home Care	463-4944
Kerrobert & Area Home Care	463-4944
Kyle & Area Home Care	375-2400
Macklin & Area Home Care	753-3202
Rosetown & Area Home Care	882-4175
Outlook & Area Home Care	867-9633
Unity & Area Home Care	228-6288
Wilkie & Area Home Care	843-2644 Ext. 259

Notes

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